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MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan
Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

January 14, 1992

COMMISSIONERS

Sherri Chiesa, President
Gordon Chin, Vice President
Nancy G. Walker
James D. Jefferson
Victor G. Makras

DEPARTMENTS

Hetch Hetchy Project
Municipal Railway
Water Department

BUREAUS

Energy Conservation
Engineering and
Construction Management
Financial Management
Information Systems
Management Efficiency and
Productivity
Personnel and Training

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JAN 27 1992
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Thomas J. Elzey
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Call to Order: 2:25 P.M.

Present: President Sherri Chiesa, Vice President Gordon Chin, Commissioner Nancy G. Walker, Commissioner James D. Jefferson, Commissioner Victor G. Makras

On motion of Commissioner Walker, seconded by Commissioner Chin, the Minutes of the regular meeting of December 10, 1991 were approved.

A tape of the meeting is on file in the Office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Chin, seconded by Jefferson, the following resolution was adopted in Executive Session:

92-0001 MR Approving settlement of Kisha Shields, et al v. City and County of San Francisco, Superior Court No. 933-427.

VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

On motion of Chin, seconded by Jefferson, the following resolution was adopted:

92-0002 FM Authorizing the Assistant General Manager of Finance to apply for, accept, and expend \$12,500,000 of Federal Transit Act (FTA) Section 3 capital assistance to implement the Muni Metro Turnback project; \$14,700,000 to implement the Metro East Light Rail Facility project; authorizing the PUC to seek a grant scope modification to fully expend the surplus Section 3 capital assistance to acquire and modify accessible trolley coaches for the 31-BALBOA line; authorizing the PUC to seek a grant scope modification to expend the surplus Section 9 capital assistance to rehabilitate the 14-MISSION line in lieu of extending the 14-MISSION line to the Daly City BART Station; and requesting the Directors of the San Francisco Municipal Railway Improvement Corporation and the San Francisco County Transportation Authority to allocate local match financing or advance capital funding, as needed, for these federal grants.

VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

On motion of Walker, seconded by Makras, the following resolution was adopted:

92-0003 MR Requesting the Controller to draw warrants in payment of claims against the San Francisco Municipal Railway, totalling \$51,000.

VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

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RESOLUTION
NO.

On motion of Walker, seconded by Makras, the following resolution was adopted:

- 92-0004 FM Approving collection of charges for damages for the month of November 1991, against the San Francisco Municipal Railway from miscellaneous debtors in the amount of \$23,172.60 and write-off compromise reductions for comparative negligence in the amount of \$141.01; and Bureau of Light, Heat & Power from miscellaneous debtors in the amount of \$1,903.56.

VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

On motion of Walker, seconded by Makras, the following resolution was adopted:

- 92-0005 WD Accepting the work performed under San Francisco Water Department Contract No. WD-2070, Construction of Fences on Water Department Properties, East and West Bay Locations, as satisfactorily completed; approving Debit Contract Modification No. 3 in the amount of \$1,681.00; and authorizing final payment in the amount of \$8,912.45 to Interlane General Engineering, Inc. and P & J Utility Company, AJV., Contractor.

VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

On motion of Walker, seconded by Makras, the following resolution was adopted:

- 92-0006 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for San Francisco Water Department Contract No. WD-2074, 8-Inch Ductile Iron Main Installation in Post Street between Gough and Scott Streets.

VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

On motion of Walker, seconded by Makras, the following resolution was adopted:

- 92-0007 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for San Francisco Water Department Contract No. WD-2085, 8-Inch Ductile Iron Main Installation in Geary Street between Jones Street and Kearny Streets.

VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

On motion of Walker, seconded by Makras, the following resolution was adopted:

- 92-0008 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for San Francisco Water Department Contract No. WD-2099, 8-Inch Ductile Iron Main Installation in Spruce Street, Euclid Avenue and Other Streets in the Laurel Heights Area.

VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

RESOLUTION
NO.

On motion of Walker, seconded by Makras, the following resolution was adopted:

- 92-0009 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for San Francisco Water Department Contract No. WD-2102, 8-Inch Ductile Iron Main Installation in Eddy Street between Divisadero and Gough Streets.
- VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

On motion of Walker, seconded by Chin, the following resolution was adopted:

- 92-0010 MR Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for San Francisco Municipal Railway Contract No. MR-894, Upper Market Street Transit Thoroughfare Project Phase 3 - Duboce Avenue to Castro Street - General Construction.
- VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

On motion of Walker, seconded by Makras, the following resolution was adopted:

- 92-0011 MR Approving the Non-Civil Service and Temporary appointments and removals as indicated on the Temporary Employment Activity Roster, for the month of November 1991.
- VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

On motion of Walker, seconded by Makras, the following resolution was adopted:

- 92-0012 GM Commending H. Welton Flynn for his many contributions as a member of the Public Utilities Commission and for his dedicated service of 21 years to the people of the City and County of San Francisco; and extending personal best wishes for good health and happiness and in the future.
- VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

On motion of Jefferson, seconded by Chin, the following resolution was adopted:

- 92-0013 GM Commending Arthur V. Toupin for his many contributions as a member of the Public Utilities Commission and for his dedicated service of 6 years to the people of the City and County of San Francisco; and extending personal best wishes for good health and happiness in the future.
- VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

RESOLUTION
NO.

On motion of Jefferson, seconded by Chin, the following resolution was adopted:

92-0014 GM Commending George Newkirk for his many years of dedicated work and wishing him improved health, a speedy recovery and an early return to his regular duties with the Public Utilities Commission and the Municipal Railway.

VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

On motion of Chin, seconded by Jefferson, the following resolution was adopted:

92-0015 GM Authorizing the General Manager of Public Utilities to negotiate and execute a professional services agreement with Grigsby Brandford & Co., Inc./Artemis Capital Group, Inc., AJV, senior managing underwriter; Goldman, Sachs & Co. and PaineWebber Incorporated, co-senior managers; and E.J. De La Rosa & Co., Inc. and Smith, Mitchell & Associates, Inc., co-managers for the 1992 Refunding Series of San Francisco Water Revenue Bonds.

VOTE: Ayes - Chiesa, Chin, Jefferson
 Noes - Walker, Makras

On motion of Walker, seconded by Makras, the following resolution was adopted:

92-0016 GM Extending the review period for sixty (60) days for the General Manager of Public Utilities to resolve issues with Transportation Displays, Inc. (TDI) to allow ample time for TDI to submit other viable names of firms eligible to carry out this work.

VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

On motion of Walker, seconded by Jefferson, the following resolution was adopted:

92-0017 GM Deciding to uphold the General Manager of Public Utilities decision to support the Municipal Railway's proposal to perform future brake work on the articulated coaches in-house, using four maintenance employees recently hired for the task.

VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

92-0018 WD Approving a transfer of funds of \$463,000 from the Main Replacement Project to the Feeder Main Project for connection to the State's South Bay Aqueduct turnout near Sunol; and requesting the Board of Supervisors' approval for expenditure of the additional funds under the declaration of emergency.

VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

RESOLUTION
NO. _____

On motion of Chin, seconded by Makras, the following resolution was adopted:

92-0019 WD Authorizing the General Manager of Public Utilities to negotiate and execute an agreement with the Kern County Water Agency for the storage and return of water purchased by the San Francisco Water Department.

VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

On motion of Walker, seconded by Jefferson, the following resolution was adopted:

92-0020 WD Authorizing the General Manager of the Water Department to enter into a contract with the San Francisco League of Urban Gardeners (S.L.U.G.) for the period of 12 months for an amount not-to-exceed \$49,500 for the purpose of improving Water Department property located at 7th and Lawton.

VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

On motion of Makras, seconded by Walker, the following resolution was adopted:

92-0021 WD Approving the sale of the access easement to William S. Porter, et ux, over San Francisco Water Department's Bay Division Pipeline No. 3 & 4 Right of Way lands and authorizing the Director of Property to prepare the necessary legislation for the enactment by the Board of Supervisors to consummate the execution of the sale.

VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

On motion of Makras, seconded by Walker, the following resolution was adopted:

92-0022 WD Authorizing the General Manager of the Water Department to negotiate and execute a professional services agreement with Geo/Resource Consultants, Inc. for an amount not-to-exceed \$75,000 for preparation of the Lake Merced Water Resource Planning Study.

VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

On motion of Walker, seconded by Makras, the following resolution was adopted:

92-0023 HH Requesting the Mayor to recommend to the Board of Supervisors a supplemental appropriation in the amount of \$849,889 from the deobligation of closeout balances in Hetch Hetchy's Capital Improvement Projects and that Hetch Hetchy's current Operating Budget be amended to fund the needed services during the remainder of Fiscal Year 1991/92.

VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

RESOLUTION
NO.

On motion of Walker, seconded by Makras, the following resolution was adopted:

- 92-0024 HH Authorizing the Third Amendment to the Agreement with Vinson & Elkins, increasing the contract amount by \$425,000 for a total not-to-exceed \$1,385,000; and extending the term of this Agreement to June 30, 1993 to provide legal services for the upcoming Federal Energy Regulatory Commission (FERC) hearings.

VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

On motion of Walker, seconded by Makras, the following resolution was adopted:

- 92-0025 HH Authorizing the Second Amendment with Ellis, King, & Prioleau, P.C., increasing the contract amount by \$202,000, for a total not-to-exceed \$334,000; and extending the term of this Amendment to June 30, 1993 to provide legal services for the upcoming Federal Energy Regulatory Commission (FERC) hearings.

VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

On motion of Walker, seconded by Makras, the following resolution was adopted:

- 92-0026 HH Authorizing the General Manager of Hetch Hetchy Water & Power to negotiate and execute the First Amendment to the Agreement with Manna Consultants, Inc., increasing their funding by \$20,000 for this fiscal year to provide hydrologic modeling consultant services.

VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

On motion of Walker, seconded by Makras, the following resolution was adopted:

- 92-0027 HH Authorizing the General Manager of Hetch Hetchy Water & Power to negotiate and execute the Second Amendment to the Agreement with Murray, Burns and Kienlen, Inc., increasing their funding by \$16,500, for a total contract amount not-to-exceed \$136,500 for professional hydrological engineering services.

VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

On motion of Walker, seconded by Makras, the following resolution was adopted:

- 92-0028 HH Authorizing the General Manager of Hetch Hetchy Water & Power to negotiate and execute the Third Amendment to the Agreement with Jackson Research Projects, increasing their funding by \$67,240, for a total contract amount not-to-exceed \$394,240 for the purpose of providing professional historical consulting and archiving services related to the Hetch Hetchy Project.

VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

RESOLUTION
NO.

On motion of Walker, seconded by Makras, the following resolution was adopted:

- 92-0029 HH Authorizing the General Manager of Hetch Hetchy Water & Power to negotiate and execute the Third Amendment to the Agreement with Bookman-Edmonston Engineering, increasing their funding by \$100,000 for this fiscal year to provide hydrologic modeling consultant services.
- VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

On motion of Jefferson, seconded by Walker, the following resolution was adopted:

- 92-0030 HH Authorizing the General Manager of Public Utilities to execute the Western Systems Power Pool Agreement; and approving the expenditure of \$25,000 for the cost of entering into the agreement from the Hetch Hetchy Operating Budget.
- VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

On motion of Walker, seconded by Jefferson, the following resolution was adopted:

- 92-0031 UEB Approving the transfer of \$290,000 from the Water Department Water Main Extension Project to the Water Department CDD Underground Tanks Replacement Project.
- VOTE: Ayes - Chiesa, Chin, Walker, Jefferson, Makras

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Announcement

President Chiesa announced that the Commission met in Executive Session on January 14, 1992 and approved the settlement of Kisha Shields, et al v. City and County of San Francisco, Superior Court No. 933-427.

Report of the General Manager

Filtration of Hetch Hetchy Water

Mr. Thomas J. Elzey, General Manager, Public Utilities Commission, referred to staff's earlier package submitted to the Commission regarding studies that had been completed on the issue of filtration of Hetch Hetchy water. He noted that the study was developed as a siting study to determine the most feasible alternative for the development of a filtration plant in order for the City and County of San Francisco to come into compliance with surface water treatment rules recently enacted by the State of California. Mr. Elzey said that after further review of that study, staff had determined that it would make more sense in the short run for the department to fund the preliminary expenditures for an environmental

impact report and a conceptual engineering report for a filtration facility to be funded from the 1991/92 and 1992/93 capital budgets rather than attempting to go to the voters to get funding for the development of a filtration plant. With those phases of the work completed first, the environmental impact report and conceptual engineering report, it is anticipated that funding for the development of a filtration plant would not go before the voters until November of 1994. Then the department would be in a much better position to clarify any cost or environmental issues the voters may have.

Commissioner Walker requested that staff report back to this Commission on the draft scope of work related to the environmental impact report before the request for proposals is completed.

Muni Metro Extension/Turnback

Mr. Flint Nelson, Manager, Transportation Project Management Division, Utilities Engineering Bureau, gave a brief overview on the Muni Metro Turnaround and Muni Metro Extension projects. He noted that the main purpose of these two projects would be to extend the existing Muni Metro system from the foot of Market Street to 6th and King Streets.

Mr. Nelson explained that the Muni Metro Turnaround project would provide a more efficient system for reversing light rail vehicles (LRV's) within the existing subway system and provide a connection from the existing terminal at the Embarcadero Station to Muni Metro Extension. He said that the project cost was estimated at approximately \$200 million and that the design completion date for this project would begin around May 1992 with the construction phase of the project beginning October 1992 and ending October 1995.

Mr. Nelson also explained that the Muni Metro Extension project would provide LRV service to the South Beach and Mission Bay areas and provide LRV connections to the Caltrain depot from Embarcadero Station for both BART and Muni service. The project cost was estimated to be slightly in excess of \$50 million. Mr. Nelson stated that the project schedule for the Muni Metro Extension was divided into two phases. The first phase of the project would be completed late Summer of 1993 with the second phase of the project completed in the Fall of 1994.

The Presidio/Water Department

Ms. Cheryl Davis, Manager, Customer Service Division, Water Department, reported on discussions between staff and federal agencies regarding how The Presidio's water demand would be met when the property is transferred from the Army to the Department of Interior.

Historically, the Army has owned and operated its own water treatment system serving The Presidio with 1.5 million gallons of water per day. The vast majority of the water that is used at The Presidio is obtained from the Lobos Creek supply and from wells. The Army treats that water and has its own pumping stations, reservoirs, and distribution system which it maintains. The Army overall has been responsible for meeting the bulk of its water demand at The Presidio. Ms. Davis stated that the Army's water treatment plant needs to be upgraded, which could cost the Federal Government millions of dollars. She said that in late 1990 the U.S. Army Corps of Engineers published a report recommending that the Army look seriously at closing their treatment plant and abandoning the Lobos Creek water system as their main water supply for The Presidio. They recommended in that report that the City of San Francisco take on The Presidio as their customer and meet their complete water demand.

Ms. Davis stated that the Water Department is not in a position to take on a customer of this size, especially in the middle of a drought. The Water Department has made it very clear to the Army that it was not acceptable for them to walk away from a proven developed accessible water source. Through a series of meetings with them, we believe they have come to realize that the Water Department is very serious about their position in not taking on such a large customer.

Ms. Davis remarked that the Water Department was encouraging the Army to focus on water conservation since there was no internal metering at The Presidio. She stated they were encouraging them to think in terms of using reclaimed water because a significant percentage of their demand for The Presidio was for non-potable water to irrigate their cemetery, golf course and grounds in general. Also, the Water Department has encouraged the possibility of building an interconnection between The Presidio and the Water Department's lines resulting in an integrated water supply system that would benefit both The Presidio and San Francisco.

Mr. Elzey stated that he would keep the Commission informed as to the status of this project.

Forged Fast Passes

Ms. Michelle N. Witt, Acting Finance Director, Bureau of Finance, remarked that staff had prepared a number of recommendations to the Commission in addressing the problem of counterfeit Fast Passes some time ago, which included short and long term solutions. Ms. Witt stated that one alternative to solving this problem would be to require passengers to show both sides of their Fast Pass when boarding the bus versus the previously proposed plan to fix stickers on each month's Fast Pass, which staff has determined was not feasible. One of the drawbacks of showing both sides of the pass would be that it could delay boarding time. The cost to implement this short term solution could be approximately \$15,000 and would begin in March 1992.

Another long term solution that was discussed earlier was the implementation of holograms. Ms. Witt said that staff had researched the use of an iridescent strip versus the use of holograms and that the iridescent strip was very similar to that of the hologram except that it was less expensive to implement. Ms. Witt noted that the iridescent strip would cost an additional \$80,000 per year, whereas the cost of the hologram would cost about \$135,000 per year. The only drawback in using the iridescent strip was that one may not be able to use the strip with the metallic strip that is needed to enter BART or Muni Metro. Ms. Witt stated that staff would like to issue a request for proposals for the Fast Passes to see what options might be available pertaining to the use of holograms and the iridescent strip.

Ms. Witt said the use of swipe readers was another long term solution that staff had recommended. She mentioned that presently no transit agency with Muni's level of ridership was using swipe readers. The cost of the swipe readers would be around \$1 million plus annual maintenance costs. Ms. Witt noted there recently was an article stating that there were problems with the use of swipe readers taking the cards on the first swipe. Therefore, staff was not recommending the implementation of swipe readers at this time.

Announcement

President Chiesa welcomed on behalf of the Commission, Commissioner James D. Jefferson and Commissioner Victor G. Makras as new members of the Public Utilities Commission.

Public Hearing

Resolution No. 92-0002 -- Authorizing the Assistant General Manager of Finance to apply for, accept, and expend \$12,500,000 of Federal Transit Act (FTA) Section 3 capital assistance to implement the Muni Metro Turnback project; \$14,700,000 to implement the Metro East Light Rail Facility project; authorizing the PUC to seek a grant scope modification to fully expend the surplus Section 3 capital assistance to acquire and modify accessible trolley coaches for the 31-BALBOA line; authorizing the PUC to seek a grant scope modification to expend the surplus Section 9 capital assistance to rehabilitate the 14-MISSION line in lieu of extending the 14-MISSION line to the Daly City BART Station; and requesting that the Directors of the San Francisco Municipal Railway Improvement Corporation and the San Francisco County Transportation Authority to allocate local match financing or advance capital funding, as needed, for these federal grants.

Ms. Witt noted that the Urban Mass Transportation Administration (UMTA) was now referred to as the Federal Transit Administration (FTA). She stated that this public hearing was to apply for two new grants to provide funding for the Muni Metro Turnback project and the Metro East Light Rail Facility project. Also, this resolution would authorize the PUC to seek grant scope modifications for the 31-BALBOA line and the 14-MISSION line.

President Chiesa invited public comments.

Mr. Edward G. Evans stated that it was important to continue to have wheelchair accessibility on the 31-BALBOA line and that if Muni was unable to bring in electrified trolley coaches on that line that it was necessary that they keep the diesel buses running in order to remain under federal guidelines.

Mr. David Pilpel spoke in support of extending the 14-MISSION trolley route to the Daly City BART station. He questioned how Muni intends to store the new LRV's before the Metro East Facility project is completed. Mr. Pilpel stated that efforts should be made to house those vehicles.

The public hearing was closed.

On motion of Commissioner Chin, seconded by Commissioner Walker, Resolution No. 92-0002 was approved.

Resolution No. 92-0012 -- Commending H. Welton Flynn for his many contributions as a member of the Public Utilities Commission and for his dedicated service of 21 years to the people of the City and County of San Francisco.

Resolution No. 92-0013 -- Commending Arthur V. Toupin for his many contributions as a member of the Public Utilities Commission and for his dedicated service of 6 years to the people of the City and County of San Francisco.

President Chiesa expressed on behalf of the Public Utilities Commission that it was a pleasure working both with Commissioner Flynn and Commissioner Toupin and that they will both be sorely missed on this Commission. She stated that Commissioner Flynn was an absolute institution and said that she was personally indebted to him for his guidance throughout her term.

Resolution No. 92-0015 -- Authorizing the General Manager of Public Utilities to negotiate and execute a professional services agreement with Grigsby Brandford & Co., Inc./Artemis Capital Group, Inc., AJV, senior managing underwriter; Goldman, Sachs & Co. and PaineWebber Incorporated, co-senior managers; and E.J. De La Rosa & Co., Inc. and Smith, Mitchell & Associates, Inc., co-managers for the 1992 Refunding Series of San Francisco Water Revenue Bonds.

Mr. Elzey remarked that at the November 26, 1991 meeting, the Commission approved a resolution authorizing the General Manager to proceed with the issuance of approximately \$135 million of San Francisco Water Revenue Bonds, 1992 Refunding Series A. He stated that per the request of the Commission, a Request for Proposal was issued to select the underwriting team for refunding of the bonds.

Commissioner Walker asked what the cost of the bond refunding would be and what were the comparative costs among the competing firms. She also asked why the ranking from December 23rd showed one firm No. 1 and the final interview list of January 3rd ranked another firm No. 1.

Mr. Elzey replied that in November 1991, staff presented a range of potential present value savings which could be expected from refunding of the bonds. Regarding costs, he said that the management fee would be negotiated with the underwriting team.

Ms. Witt stated that the management fee for the firm that was selected as senior underwriter was based upon a per bond basis. So the amount would depend upon how many bonds are issued. Most of the firms bid on a fixed fee basis. The request for proposals (RFP) stated that fees are negotiable. The selection criteria was not based upon fee.

Ms. Witt described the selection process. She said that staff received 19 proposals in response to the RFP. Twelve of those proposals were for senior underwriting services. The selection panel reviewed the written proposals on December 23rd and made two rankings - one for senior managers and one for co-managers. This was the only evaluation of co-managers. On January 3rd, all 12 senior manager firms were interviewed and ranked. The changes in ranking reflect the difference between the written proposals and the overall evaluation after the oral interviews.

Commissioner Makras asked why cost was not considered in the selection criteria. Ms. Witt replied that underwriter selection is based upon the firm's ability to do the job, that is, their qualifications, experience and specific experience in refunding utility bonds in California.

Commissioner Makras expressed the opinion that when experience is close and there is a significant cost difference that cost should be a determining factor. Mr. Elzey agreed that fees were a relevant item but that the selection was based upon qualifications and the ability to access the market, the ability to market the bonds and to manage the process in a way most beneficial to the City. Fees were not weighed as high as these other items.

Commissioner Jefferson said that in all professional services selection is by qualifications. He said that his concern was that the procedures are fair and consistently applied.

On motion of Commissioner Chin, seconded by Commissioner Jefferson, Resolution No. 92-0015 was approved. Commissioner Walker and Commissioner Makras voted against the motion.

Resolution No. 92-0016 -- Extending the review period for sixty (60) days for the General Manager of Public Utilities to resolve issues with Transportation Displays, Inc. (TDI) to allow ample time for TDI to submit other viable names of firms eligible to carry out this work.

Mr. Elzey stated that staff came before this Commission at the December 10, 1991 meeting regarding the request by TDI to make a substitution of their subcontractor and also to discuss the issue that had been raised by TDI about its relationship with Carders and Posters, Inc. This resolution would be to request an additional extension of time to resolve this issue of subcontracting.

President Chiesa requested an update from the City Attorney on this issue. Ms. Robin Reitzes, Deputy City Attorney, Public Utilities, advised that the Commission met in Executive Session on this item.

The Commission recessed into Executive Session at 4:00 P.M.

The meeting was reconvened at 4:25 P.M.

Commissioner Makras moved that the resolution be amended to reflect that this Commission extend the review period for sixty (60) days for the General Manager of Public Utilities to resolve the issues with Transportation Displays, Inc. (TDI) to allow ample time for TDI to submit other viable names of firms eligible to carry out this work. He noted that the last paragraph of the draft resolution would be deleted. Commissioner Walker seconded.

Mr. Mike Cook, representing Automotive Machinists Union, Local 1305, remarked that there are employees being affected by this delay process and said he would like to see this issue solved as quickly as possible.

Mr. John Burton, representing TDI, requested that during this sixty day review period that this Commission consider Bardel, Inc. as TDI's subcontractor. He stated that TDI is willing to take the risk in helping this new business get started and make sure they are in complete compliance with any restrictions that may be imposed by the PUC.

Mr. Donald R. Allman, Executive Vice President, TDI, echoed Mr. Burton's comments. He stated that TDI would remain committed to meeting all of the contract goals in their relationship with the Municipal Railway.

Mr. Washington Johnson, Operations Manager, Carders and Posters, Inc., stated that the directive issued at the December 10, 1991 meeting had been ignored by TDI. He was of the opinion that what had happened subsequent to that directive was evidence of what TDI would do with respect to any decisions made by this Commission.

Ms. Karen Coleman, President, Carders and Posters, Inc., remarked that it was their understanding that the instructional motion adopted by the PUC on December 10, 1991 required that TDI and Carders and Posters, Inc. fulfill the obligations under the existing subcontractual agreement until the General Manager came back to this Commission with his recommendation. TDI has refused to comply with that instructional motion. Ms. Coleman again appealed to the Commission to establish a level playing field where both fairness and equitable treatment are the guiding principles.

Mr. Bob Owen, representing the Sign and Display Union, stated that their union represented most of the workers at Carders and Posters, Inc. He said the workers no longer were employed by Carders and Posters, Inc. as of December 13, 1991 and since then have not been paid for that week. Mr. Owen requested that this problem be resolved as soon as possible. Meanwhile, he stated that an interim agreement had been signed with TDI to keep the work going and with this temporary changeover working conditions have already improved tremendously.

Mr. Jose L. Nava spoke on behalf of himself and the employees at Carders and Posters, Inc. He said he has been employed for 15 years in this trade and was never treated so badly until he worked for Carders and Posters, Inc. Mr. Nava stated that as a result of poor working conditions, the workers left Carders and Posters, Inc. on December 13, 1991 and went to work for TDI. Since that date, the workers have not been paid their last week's salary.

Ms. Joan Brann, President, Bardel, Inc., stated that her firm had been offered the contract by TDI to become their disadvantaged business enterprise (DBE) subcontractor. Ms. Brann presented her curriculum vitae highlighting her various business experiences and said that she has been a resident of San Francisco for the past forty years and has been socially and politically active in her community. She stated that she hoped the Commission's resolution would be one that would allow her the opportunity to work with the PUC. Ms. Brann remarked that her firm would be willing to adhere to all constrictions and regulations placed upon it by this Commission.

Mr. Bernard M. Resser, Legal Counsel for TDI, stated that after careful consideration of TDI's obligations under the contract, that the contract does not require that TDI use a DBE firm exclusively for all carding and posting. He indicated that it was interpreted by the court that Carders and Posters, Inc. was not adhering to the contract.

Mr. William Murphy, National Operations Director, TDI, spoke in favor of the amended motion. He stated that TDI has temporarily taken over the carding and posting business until a substitute subcontractor is selected. Mr. Murphy said that TDI would be willing to help a business minded person get started in the carding and posting business and suggested that Bardel, Inc. be selected to be the substitute DBE subcontractor for TDI.

Mr. Vern Coleman, Vice President and General Manager, Carders and Posters, Inc., stated that their firm had been solidly grounded in the carding and posting business since 1985 long before TDI. Mr. Coleman said their firm did not have work for their employees because TDI did not provide them with any contracts.

Commissioner Walker requested that over the next sixty days that staff provide the Commission with information on the criteria for DBE certification of a new business.

On motion of Commissioner Walker, seconded by Commissioner Makras, Resolution No. 92-0016 was approved, as amended.

Hearing on the appeal filed by the California Bus Association (CBA) of the decision of the General Manager of Public Utilities regarding terminating contracting of brake repair work on M.A.N. articulated buses.

Resolution No. 92-0017 -- Deciding to uphold the General Manager of Public Utilities decision to support the Municipal Railway's proposal to perform future brake work on the articulated coaches in-house, using four maintenance employees recently hired for the task.

Mr. Elzey stated that on December 19, 1991 he met with a representative from the California Bus Association to review the decision that was made by Mr. Johnny B. Stein, General Manager, Municipal Railway concerning whether or not future brake work on the articulated coaches should be performed in-house. After hearing both sides, Mr. Elzey concluded that the brake work should be performed in-house. As a result, an appeal was filed by the CBA against that decision.

Mr. Phil Adams, Deputy General Manager, Maintenance Engineering, Municipal Railway, explained that when the decision was made to purchase articulated coaches in 1984, Muni did not have the facilities to perform certain maintenance operations on those coaches. Therefore, Muni decided to contract the brake work with the idea of bringing the work back in-house when the Flynn facility was constructed. Mr. Adams stated that historically every transit system usually performs brake work and other critical operations in-house. A decision has now been made to perform this work in-house at the new Flynn facility. Recently, four employees were hired to maintain the articulated vehicles and they have shown tremendous progress.

Mr. Jim Seal, representing the California Bus Association, pointed out that the California Bus Association filed a protest with the Federal Transit Administration (FTA), on Muni's decision to terminate contracting brake services on the articulated buses as of December 31, 1991. He was of the opinion that Muni's decision was not based on a fair cost comparison analysis and that CBA was precluded from any consultative process prior to staff's recommendation, which is in violation of local and FTA policies. Mr. Seal said that the PUC should be committed to sustaining an environment which provides opportunities for private sector involvement in connection with transportation and related maintenance services.

Mr. Mike Cook, representing Automotive Machinists Union, Local 1305, spoke in favor of the work being performed in-house and said that Muni will be saving a tremendous amount of money by allowing their employees to work on the vehicles versus contracting the work out to Pacific Coast Bus Service, Inc.

Commissioner Jefferson asked what are the FTA regulations that relate to the involvement of the private sector in these kinds of decisions.

Ms. Robin Reitzes, Deputy City Attorney, replied that Muni never intended that this work be contracted out on a permanent basis but that it was only until Muni had the facilities to perform the work in-house. Therefore, there are no FTA regulations that would require Muni to contract any particular type of service. Ms. Reitzes stated that it was a management decision as to what is contracted and what is not. The initial decision made in 1984 to contract this work was made long before the FTA regulations on privatization were issued in December 1986.

Commissioner Walker moved to approve the resolution upholding the General Manager's decision to perform future brake work on the articulated coaches in-house and simultaneously moved to table the alternative resolution.

On motion of Commissioner Walker, seconded by Commissioner Jefferson, Resolution No. 92-0017 was approved.

Public Comments

Mr. David Pilpel presented the Commission with a letter regarding his initial comments on the PUC/Muni budget issues for FY 1992-93. He urged that the existing transit service be maintained despite the 10% cut in the General Fund. Mr. Pilpel recommended that PUC's organizational structure should be changed before increasing transit fares and cutting services.

THEREUPON THE MEETING WAS ADJOURNED: 5:34 P.M.

Romaine A. Boldridge
Secretary

MINUTES

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Civic Center-1st Floor

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

DOCUMENTS DEPT.

FEB 2 1 1992

REGULAR MEETING

SAN FRANCISCO
PUBLIC LIBRARY

Room 282, City Hall

2:00 P.M.

January 28, 1992

COMMISSIONERS

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FEB 2 1 1992

Gordon Chin, President

SAN FRANCISCO
PUBLIC LIBRARY

Nancy G. Walker, Vice President

Sherri Chiesa

James D. Jefferson

Victor G. Makras

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and
Construction Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Present: President Sherri Chiesa, Vice President Gordon Chin,
Commissioner Nancy G. Walker, Commissioner James D.
Jefferson, Commissioner Victor G. Makras

On motion of Commissioner Walker, seconded by Commissioner Makras,
the Minutes of the regular meeting of January 14, 1992 were approved.

A tape of the meeting is on file in the Office of the Secretary of
the Public Utilities Commission.

SPECIAL ORDER OF BUSINESS

ELECTION OF OFFICERS FOR THE YEAR 1992

Commissioner Makras nominated Vice President Gordon Chin for the
office of President. Commissioner Jefferson seconded.

Commissioner Chin was unanimously elected President.

President Chin accepted the gavel and presided for the remainder of
the meeting.

Commissioner Chiesa nominated Commissioner Walker for Vice
President. Commissioner Makras seconded.

Commissioner Walker was unanimously elected Vice President.

RESOLUTION
NO.

On motion of Jefferson, seconded by Walker, the
following resolution was adopted:

92-0032 WD Adopting an amendment to the Urban Water Management
Plan, creating an Urban Water Shortage Contingency
Plan in accordance with AB 11X.

VOTE: Ayes - Chin, Walker, Chiesa, Jefferson
Noes - Makras

On motion of Jefferson, seconded by Makras, the
following resolution was adopted:

92-0033 WD Accepting the work performed under San Francisco
Water Department Contract No. WD-2058, 8-Inch
Ductile Iron Main Installation in Fourth Street
between Market and Townsend Streets, as
satisfactorily completed; approving debit Contract
Modification No. 1 in the amount of \$800.64;
authorizing an extension of time for unavoidable
delays of 6 working days; and authorizing final
payment in the amount of \$17,811.84 to Stacy &
Witbeck, Inc., Contractor.

VOTE: Ayes - Chin, Walker, Chiesa, Jefferson, Makras

RESOLUTION
NO. _____

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

- 92-0034 PT Approving the Non-Civil Service and Temporary appointments and removals as indicated on the Temporary Employment Activity Roster, for the month of December, 1991.

VOTE: Ayes - Chin, Walker, Chiesa, Jefferson, Makras

On motion of Jefferson, seconded by Chiesa, the following resolution was adopted:

- 92-0035 WD Approving funding for additional consulting services in the amount of \$150,000 for emergency repairs on Bay Division Pipeline No. 4.

VOTE: Ayes - Chin, Walker, Chiesa, Jefferson, Makras

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

- 92-0036 UEB Approving Contract Modification No. 1 for HH-830, San Joaquin Pipeline No. 2, Repair Mortar Lining, Segment II with Healy Tibbitts Builders, Inc.; extending the time allowed to complete the work 30 calendar days; and reallocating \$133,400 from Bid Item No. 3, Allowance for Extra Work, as full compensation for the time extension.

VOTE: Ayes - Chin, Walker, Chiesa, Jefferson, Makras

On motion of Jefferson, seconded by Chiesa, the following resolution was adopted:

- 92-0037 FM Authorizing the Assistant General Manager of Finance to apply for, accept, and expend \$437,000 from 1991-92 State Traffic Systems Management Capital for the Municipal Railway.

VOTE: Ayes - Chin, Walker, Chiesa, Jefferson, Makras

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

- 92-0038 FM Authorizing the General Manager of Public Utilities to modify the contract with Williams, Adley and Company, for auditing and consulting services on an as-needed basis, in an amount not to exceed \$100,000.

VOTE: Ayes - Chin, Walker, Chiesa, Jefferson, Makras

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Announcement

Ms. Romaine A. Boldridge, Secretary, announced that Item No. 15, Bid call for Municipal Railway Contract No. MR-895 for construction of the J-M Platform & Trackway Improvement Project had been removed from the calendar to allow staff more time to meet with the community.

Public Hearing

Item No. 10 -- To consider the budget proposal for Hetch Hetchy Water and Power for Fiscal Year 1992-93.

Mr. Thomas J. Elzey, General Manager of Public Utilities, stated that the budget instructions received from the Mayor's Office targeted general fund departments. Since Hetch Hetchy is an enterprise department it is exempted from the 10% cut required by general fund departments. Nevertheless, staff has been very cost-conscious in proposing this budget.

Ms. Michelle Witt, Acting Finance Director, used charts to present an overview of the PUC budget. She said that the three operating departments, the Municipal Railway, the Water Department and Hetch Hetchy Water and Power, have a total operating budget of \$465 million. The Municipal Railway's budget is \$269 million, excluding its capital budget which is funded by grants. The Water Department budget is \$117 million which includes a portion of its capital budget. The remainder of the capital budget is funded through bonds. Hetch Hetchy's budget is \$79 million which includes its capital budget. The three operating departments fund the PUC Bureaus which have a combined budget of \$28 million - \$16.6 million from the Municipal Railway, \$7.5 million from the Water Department, and \$4 million from Hetch Hetchy.

Mr. Anson B. Moran, General Manager, Hetch Hetchy Water and Power, explained the nature of the department's budget as an enterprise department. Hetch Hetchy's revenues are sufficient to meet its operating expenses, even in a drought year, and to provide contributory services to other City departments through discount power to general fund departments and transit overhead to the Municipal Railway. The value of these contributions is approximately \$25 million a year. In the current year, the department will make a cash contribution to the general fund of \$11 million.

Mr. Moran described the increases to the department's budget. There are no new positions in the budget. However, there are position transfers from other departments and reclassifications. The primary increase over this year's budget is in the area of professional services for legal services. The proposed funding level reflects a continuation of this year's budget plus the recently approved supplemental appropriation. Mr. Moran responded to questions from the Commission.

Commissioner Walker noted that a feasibility study regarding the municipalization of electric power was not included in the budget. She inquired about the source of funds if such a study were to be added to the budget. Mr. Moran replied that it would come from somewhere between Capital Improvements and Transfer to the General Fund. Commissioner Walker asked staff to provide more specific information concerning the source of funds and how much a study would cost.

Commissioner Makras questioned the simplicity of the budget since it appears to be the same as last year's with only minor changes, and the fact that there were no savings indicated. Mr. Moran pointed out that the budget did not take into consideration the impact of possible retirements under the Proposition A Early Retirement Plan. Approximately 10 percent of the department's workforce may take early retirement. This would provide an opportunity for some economies. Also the department will be attempting to impact the large cost items by taking advantage of deregulation through the Western States Power Pool for power purchases and through the State for natural gas purchases.

Commissioner Makras expressed the opinion that the department's budget should project a savings from Proposition A. If other departments are cutting 10 percent and we are not, then we are not doing our share.

President Chin asked are there ways to reduce costs and enhance efficiencies to raise additional revenues to provide greater benefit to the general fund.

Commissioner Walker requested that the Commission receive information on the assumptions each department used in preparing its budget. She asked the department to describe how the budget would change if the budget transfer to the general fund were eliminated, or increased, and to identify the policy choices.

Mr. Richard Delaney, representing Local 21, referred to the A998 - Safety Analyst position in the budget and said that the classification is an entry level position not a management level position. He said that it should be part of a centralized unit.

Mr. David Pilpel suggested merging the budget of the Bureau of Light, Heat and Power into the Hetch Hetchy budget to reduce paperwork. He asked if it is in the City's best interest to contract street lighting work or have it done by the Department of Public Works or the Department of Electricity and Telecommunications. He suggested decentralizing the Utilities Engineering Bureau and the Bureau of Management Information Systems. He suggested moving the Bureau of Energy Conservation into Hetch Hetchy to save paperwork. He said that if there is a way to provide services with less people it should be done.

The budget hearing was continued to February 3, 1992, at 10:00 a.m.

At 4:15 p.m. the meeting was recessed.

At 4:30 p.m. the meeting was reconvened.

Public Hearing

Resolution No. 92-0032 -- Adopting an amendment to the Urban Water Management Plan, creating an Urban Water Shortage Contingency Plan in accordance with AB 11X.

Mr. Mullane stated that the proposed Urban Water Shortage Plan was developed pursuant to State legislation adopted in 1991. San Francisco is required to file the plan with the State in order to participate in benefits that might accrue in a second year of a State Water Emergency Bank or in order to use the State water project for transmission of water from sources other than the State bank. There are nine major components of the plan. With two minor exceptions, San Francisco has all components in place and they have been in place at various times throughout the last four years of rationing programs. Mr. Mullane pointed out minor differences between the new requirements and the department's operations. The State now requires development of 12, 24 and 36 months of

worse case scenarios, the department has always used a two year planning process, so an additional 12 months has been added to this plan. The other difference is the requirement for development of stages of action. The department has always had a set of criteria which was used to determine what the level of rationing should be. This criteria has now been formalized in the plan. The plan does not change anything the department is doing. A draft version has been submitted to the State for initial comments. They responded that it not only met their needs but surpassed what they were expecting from agencies of our size.

Commissioner Makras inquired as to the rationale for progressive penalties (up to ten times the normal rate) for water use over the allotment when the landlord cannot control usage in a multi-unit building. Also, he pointed out that penalties applied to businesses which are dependent upon water use, such as a laundermat, are counterproductive to business growth.

Mr. Mullane replied that the department has over the years worked with commercial operations such as, hotels, laundermats, car washes, etc. to help them identify conservation measures, to adjust their allotments for their business and to accommodate increases in business. Regarding penalties, the department has always supported a "pass through" vehicle so that a landlord shares responsibility with the tenant. It would put the burden on the landlord to install mechanical devices and a burden on the tenant to conserve water. In addition, the department maintains a high bill program which makes adjustments for leaks.

Mr. Russell Miller said that he was in favor of water conservation and a percentage reduction like the current rationing plan versus the per capita program shown in this plan.

Ms. Virginia Conway stated that pass through of penalties for apartment dwellers is not equitable since some tenants use more than others.

Mr. David Pilpel asked whether there had been an environmental review of this plan. Mr. Mullane replied in the negative.

On motion of Commissioner Jefferson, seconded by Commissioner Walker, Resolution No. 92-0032 was adopted by a 4 to 1 vote, with Commissioner Makras voting no.

Item No. 14 -- Authorizing execution of a 2,100 acre livestock grazing lease to Tony and Russ Fields, dba Fields Livestock, on Water Department land located in Alameda and Santa Clara counties, for a term of approximately 9 months, commencing upon execution date of lease and ending October 31, 1992, at a rental of \$20,000 per year, payable \$10,000 semi-annually in advance.

Commissioner Makras pointed out that a \$150 late charge on a \$10,000 payment is below market rates and creates an incentive not to make the payment when due. He suggested that all leases contain an adequate late charge. The market rate for residential properties is 5-6 percent and for commercial properties it is 10 percent. In general, he suggested that leases should contain a clause requiring that the tenant should pay either a flat fee or an hourly rate for the department to process an assignment. Also, assignments should continue to bind the original party.

This item was continued indefinitely for staff to review the terms of the lease.

Public Comments

Mr. David Pilpel referred to the categorical exemption under CEQA for the J-M Platform & Trackway Improvement Project, and noted that no mention was made of operator restrooms which have been a controversial issue.

Mr. Pilpel inquired about the department's annual report to the Mayor. Mr. Elzey replied that the financial data is available. Commissioner Walker stated that the budget is a report.

THEREUPON THE MEETING WAS ADJOURNED: 5:25 P.M.

Romaine A. Boldridge
Secretary

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

SPECIAL MEETING

Room 282, City Hall

10:00 A.M.

February 3, 1992

COMMISSIONERS

Gordon Chin, President

Nancy G. Walker, Vice President

Sherri Chiesa

James D. Jefferson

Victor G. Makras

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and
Construction Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 10:12 A.M.

Present: President Gordon Chin, Vice President Nancy G. Walker, Commissioner Sherri Chiesa, Commissioner James D. Jefferson, Commissioner Victor G. Makras

A tape of the meeting is on file in the Office of the Secretary of the Public Utilities Commission

No action was taken at this meeting.

Public Hearing -- To consider budget proposals for the PUC Bureaus and operating and capital budget proposals for the San Francisco Water Department and Hetch Hetchy Water and Power for fiscal year 1992-93.

Water Department

Mr. John P. Mullane, General Manager San Francisco Water Department, described the major functions of the department and the amount of money budgeted for each function. He described the department's current and proposed organizational structure and introduced the management staff. He pointed out that the department is an enterprise department, which means that the department does not draw from the City's general fund. It generates revenue sufficient for its operations. The department is a regional purveyor of water to approximately 2.6 million people in the Bay Area. The department does not provide a direct contribution to the general fund. Indirectly, the Water Department provides close to \$5 million of free water to non-enterprise City departments.

Mr. Mullane said that the proposed budget includes a reorganization plan which would move water treatment capabilities from the Water Quality Division to the Water Supply Division and would move Project Engineering and the Land Section from the Water Supply Division to Administration. He said that under the Surface Water Treatment Rule the department will be required to filter Hetch Hetchy water which comprises about 85 percent of our total water supply in a normal year. He noted that included in the proposed capital budget is \$8 million for environmental review and conceptual design of a water treatment facility. Staff would seek authority from the Commission to place the matter on the ballot for bonding in 1994. The department has experienced several problems in the last few years with prestressed concrete pipe. There are over 29 miles of this pipe in the system. The proposed budget includes a program to increase inspections for early detection of problem sections.

In summarizing the department's budget request, Mr. Mullane said that the proposed budget is \$88 million compared to \$83.2 in the current year for an increase of 4.8 million or 5.8 percent - 3.3 million is uncontrollable costs (\$2.1 in salary standardization and \$1.2 in adjustments to the baseline budget). There is \$1.5 million of controllable costs related to new or augmented programs. Included in the budget requests are 10 substitute positions and 8 new positions. He described each program and position change.

Commissioner Walker inquired about the transfer of Health and Safety positions to the Water Department. Mr. Mullane replied that by transferring these positions the department would gain greater access to the individuals and would not be in competition with other PUC departments for their services. It would allow the department to develop programs and to monitor more closely its day to day activities. Commissioner Walker requested data from all departments on this year's cost of Workers' Compensation and the amount proposed for next year.

Commissioner Walker suggested that the department consider how it would cut its budget if the department were required to make staff reductions as a result of early retirements.

Commissioner Makras asked the department to present options for the Commission to consider as alternatives to supplying free water to non-enterprise City departments.

Commissioner Chiesa inquired as to who would be responsible for monitoring the department's environmental compliance with State and other regulatory agencies if the requested position of Environmental Compliance Officer were not funded. Mr. Mullane replied that the Water Department would work with the Utilities Engineering Bureau to develop a monitoring mechanism. Mr. Elzey pointed out that this arrangement has not been satisfactory to date. That is why the new position is being requested. Mr. Mullane stated that this position is the single most important item in his budget proposal.

President Chin opened the meeting for public comments.

Mr. Michael Schneider, retired from the position of Acting Manager of PUC Health and Safety, spoke in opposition to decentralization of the Health and Safety Unit. He pointed out that the current unit of less than 10 people is comprised of individuals with various specialties and different levels of skill. To place an individual with a particular skill or specialty in one department, deprives the other departments of that skill or specialty. Currently, technical materials and vehicles are shared among staff in the unit. Decentralization would require duplication of materials and vehicles.

Mr. Richard Delaney, representing Local 21, said that it was his belief that decentralization of Health and Safety would lead to a decrease in health and safety for people in the bureaus and a loss of the quality of assistance and quality assurance.

Mr. Michael Cook, representing Automative Machinists, Local 1305, said that Health and Safety should be an independent group and not accountable to the person who "has to count the beans" or the person who is accountable for expenses having to do with health and safety. He said that there was a concern that Water Department vehicles recently installed with water tanks exceed the gross vehicle weight when the tank is full.

Mr. Mullane described the major elements of the proposed Capital Improvement Program and their costs: Maintenance and Repairs \$9.5 million; Alternative Water Supply \$1.5 million; and Hetch Hetchy Water Treatment Plant, environmental review and conceptual design \$8 million. Regarding the Water Treatment Plant, Mr. Mullane stated that the department is looking at a potential Order of Non-Compliance with the State Department of Health. The Water Department has proposed to build a filtration plant by 1998-99. In order to do that the City needs to sell bonds. In order to sell bonds, staff has determined that the ratepayers would be better served if the Water Department did the environmental review required by the Department of City Planning and the conceptual design which would help staff to pin down the cost of the project. These would give us the answers to: (1) Where's it going to be? and (2) What's it going to cost? Staff would then come back to the Commission in 1994 for authority to place it on the ballot.

Commissioner Walker asked if a decision had been made to build a filtration plant. Mr. Elzey replied that in order to be in compliance with State law, staff has put forth a plan which outlines how the department would become in compliance with State law. Commissioners Walker asked whether the Commission or the City had made a policy decision to filter Hetch Hetchy Water. Mr. Mullane pointed out that there had been briefings of the Commission over time but there has not been a formal resolution by the Commission on the issue. Commissioner Walker said that staff should not assume major policy decisions and should not include such items in the budget until the Commission has made a decision. Mr. Elzey replied that staff had reported to the Commission several times and provided background materials on the siting study and a briefing paper which outlined how staff intended to proceed. The Water Department and our suburban customers are facing an Order of Non-Compliance on this issue. Up until now, there has not been any direction from the Commission that staff should not comply with the law. Commissioner Walker asked what were the choices, and indicated that she would discuss this with the City Attorney.

President Chin suggested that outside the context of the budget that the Commission devote some time to discussing the filtration of Hetch Hetchy Water and the procedural issue of implementation of federal and state laws.

At 11:55 a.m. Commissioner Walker was excused.

Commissioner Makras inquired about the use of equipment which was purchased for a specific project after the end of that project. He said that it would be useful to have information which showed that a new project was able to use equipment in inventory from a former project, thereby reducing project cost.

PUC Bureaus

Mr. Fred Howell, Director, Resource and Planning Development, stated that the budget for the bureaus totals \$28 million. \$16.5 million from the Municipal Railway, \$7.5 million from the Water Department and \$4 million from Hetch Hetchy. The allocation for funding the bureaus of 60 percent Municipal Railway, 14 percent from Hetch Hetchy and 26 percent from the Water Department, has been approved by the federal government for grant purposes. The revised proposed budget shows a reduction of approximately \$2 million in salaries from the current level of funding. The issues involved in reducing the budget were: 1) reducing the Municipal Railway's contribution to the bureaus; 2) avoid layoffs; 3) utilizing savings from Proposition A, the early retirement program; and 4) possible restructuring within the bureaus. He summarized the costs associated with the functions performed by the bureaus. Commissioner Jefferson requested a copy of the summary.

Mr. Elzey commented on the proposal to decentralize Health and Safety. He said that the proposal was developed after consultation with each of the General Managers. They expressed the need to have the resources available in order to be able to comply with Senate Bill 198 and also to be able to manage their operations in a way to effectively deal with the issues of injury and illness within their departments. Mr. Elzey said that he would like to have issues of health and safety become part of the culture within each organization rather than just providing oversight and not being able to hold managers accountable. He said he hoped that decentralization would result in reductions in workers' compensation claims.

Mr. Elzey stated that the purpose in transferring the Community Affairs position to PUC would be to give the Water Department. Hetch Hetchy and the Commission the ability to take advantage of the expertise of that position along with the Municipal Railway as regards community outreach and publicity for the departments and the Commission. There has been a gap and an uneven application of resources in this area. By transferring the position to PUC it allows the position to be funded by a combination of Water Department and Hetch Hetchy funding, thereby reducing the Municipal Railway budget.

Commissioner Chiesa requested information relating to the specific needs of each department with respect to health and safety issues and the rationale for assigning specific classifications to each department.

President Chin suggested that maybe there should be a Community Affairs position in the Water Department rather than moving the position from the Municipal Railway. Mr. Elzey said that there was a previous proposal to create a new position in the General Managers Office which was not approved because it would be an additional position.

President Chin opened the meeting for public comments.

Mr. Fred Peterson, President Transport Workers Union, Local 200, urged the Commission to delay adoption of the budget until the department abides by its agreement with the union. He stated that one position was eliminated from the budget without the required meet and confer as stated in the agreement. Mr. Elzey replied that he had responded to Mr. Peterson's request to meet regarding a position in the 1991-92 budget and agreed to schedule a meeting.

Mr. Mike Cook, representing Local 1305, stated that the unions have not been consulted in a timely manner so that they may offer constructive information and maybe alternative ways of saving money. He said that his union is ready to meet and confer on any change that may directly or indirectly affect its members - that includes Health and Safety reorganization and changing the labor relations unit of the Municipal Railway.

THEREUPON THE MEETING WAS ADJOURNED: 12:35 P.M.

Romaine A. Boldridge
Secretary

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

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REGULAR MEETING

Room 282, City Hall

2:00 P.M.

February 11, 1992

COMMISSIONERS

Gordon Chin, President

Nancy G. Walker, Vice President

Sherri Chiesa

James D. Jefferson

Victor G. Makras

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and
Construction Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order 2:20 P.M.

Present: President Gordon Chin, Commissioner Sherri Chiesa,
Commissioner James D. Jefferson, Commissioner Victor G.
Makras

Excused: Vice President Nancy G. Walker

On motion of Commissioner Chiesa, seconded by Commissioner
Jefferson, the Minutes of the regular meeting of January 28, 1992
were approved.

A tape of the meeting is on file in the office of the Secretary of
the Public Utilities Commission.

RESOLUTION

NO

On motion of Jefferson, seconded by Makras, the
following resolution was adopted in Executive
Session:

92-0039 WD Approving settlement with the Regional Water Quality
Control Board regarding the Calaveras Pipe, our
reference No. P0072/89.

VOTE: Ayes - Chiesa, Jefferson, Makras
Absent - Chin

On motion of Makras, seconded by Jefferson, the
following resolution was adopted in Executive
Session:

92-0040 MR Approving settlement of litigation entitled Frances
Samuels v. City and County of San Francisco et al,
Superior Court No. 933-216.

VOTE: Ayes - Chin, Chiesa, Jefferson, Makras

On motion of Makras, seconded by Jefferson, the
following resolution was adopted in Executive
Session:

92-0041 MR Approving settlement of litigation entitled Randi
Baird v. CCSF, Superior Court No. 895-204; Price
Cobbs v. CCSF, Superior Court No. 930-076; Jennie
Anderson v. CCSF, Superior Court No. 922-738; Verlie
Mae Burch v. CCSF, Superior Court No. 923-796.

VOTE: Ayes - Chin, Chiesa, Jefferson, Makras

On motion of Makras, seconded by Jefferson, the
following resolution was adopted:

92-0042 MR Expressing extreme concern about the possible
reduction in transit service which will result from
conditions outside the control of this Commission,
namely the inaction with regard to the approval of
replacement requisitions for retiring 9163 Transit
Operators, and urging immediate approval of the
subject personnel requisitions so as to allow the
Municipal Railway to continue to provide the same
level transit services to the public.

VOTE: Ayes - Chin, Chiesa, Jefferson, Makras

Commissioner Chiesa was excused at 5:45 P.M.

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

- 92-0043 HH Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Hetch Hetchy Contract No. HH-801, Hetch Hetchy Road Rebuilding.

VOTE: Ayes - Chin, Jefferson, Makras

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

- 92-0044 MR Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Municipal Railway Contract No. MR-898 for the reconstruction of the overhead line for the l4 Mission Trolley Line from Persia Ave. to the Daly City Loop (at San Jose Ave. and Mission St.).

VOTE: Ayes - Chin, Jefferson, Makras

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

- 92-0045 UEB Authorizing the Manager of the Utilities Engineering Bureau to execute Contract Modification No. 2 with San Luis Construction Company in the amount of \$7,018.61 and to extend contract completion until February 18, 1992.

VOTE: Ayes - Chin, Jefferson, Makras

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

- 92-0046 WD Authorizing a fund transfer of \$249,000 from Object 140, Fixed Charges to Object 302 City Attorneys Office to cover the projected shortfall for services rendered.

VOTE: Ayes - Chin, Jefferson, Makras

On motion of Makras, seconded by Jefferson, the following resolution was adopted:

- 92-0047 MR Authorizing the General Manager to enter into an agreement with British Columbia Transit (BCT) of Vancouver, British Columbia for the loan of Muni's Orion Bus Coach No. 9019 for a period of two weeks, plus associated travel time to allow BCT to inspect and test a sample vehicle before making a purchase.

VOTE: Ayes - Chin, Jefferson, Makras

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

92-0048 MR Requesting the Mayor to recommend to the Board of Supervisors a supplemental appropriation of \$554,453 to fund a projected shortfall in the City Attorney's budget for services rendered.

VOTE: Ayes - Chin, Jefferson, Makras

On motion of Makras, seconded by Jefferson, the following resolution was adopted:

92-0049 HH Requesting the Mayor and Board of Supervisors to approve immediate filling of vacant classification 5138-Superintendent of Operations.

VOTE: Ayes - Chin, Jefferson, Makras

On motion of Makras, seconded by Jefferson, the following resolution was adopted:

92-0050 GM Setting date, time and place for a Special Meeting on Tuesday, February 18, 1992 at 12:00 noon, at 1155 Market Street, 4th Floor.

VOTE: Ayes - Chin, Jefferson, Makras

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Announcement

President Chin announced that the Commission met in executive session before this meeting and approved settlement of the following cases: Randi Baird v. CCSF, Superior Court No. 895-204; Frances Samuels v. CCSF, Superior Court No. 933-216; Price Cobbs v. CCSF, Superior Court No. 930-076; Jennie Anderson v. CCSF, Superior Court No. 922-738; Verlie Mae Burch v. CCSF, Superior Court No. 923-796; and Calaveras Pipe, our reference No. P0072/89.

Report of the General Manager

1991-92 Budget Shortfall

Mr. Thomas J. Elzey, General Manager of Public Utilities, reported that the joint report from the Controller, the Mayor's Director of Finance and the Board of Supervisors' Budget Analyst outlined as of February 5, 1992 an anticipated budget shortfall for the current fiscal year 1991-92. That report recommended that the Municipal Railway anticipate a reduction in its budget of \$3.5 to \$4 million. Staff forwarded to the Commission a set of proposed adjustments. Due to recent information that the overall budget shortfall had been reduced by \$16 million, Mr. Elzey suggested that the Commission defer discussion on the current budget shortfall and also defer acting to schedule a public hearing on Municipal Railway fares to be applied to the shortfall. He said that a revised report will be published soon.

Commissioner Jefferson stated that the Mayor had been quoted in the media as being opposed to fare increases. He asked whether the Mayor was aware of, and in agreement with, possible fare increases. Mr. Elzey replied affirmatively and said that the Mayor's staff have indicated that this item is a component that should be considered as an option for addressing Muni's budget shortfall. In reply to questions from the Commission, Mr. Elzey said that staff may want to revisit Muni fares for this fiscal year, however, a fare increase is one of the options for meeting the 10 percent budget reduction requested by the Mayor's Office for the 1992-93 budget. The Mayor's staff requested that proposals for meeting the 1991-92 shortfall should be consistent with the 1992-93 reduced budget level.

Commissioner Jefferson said that he wanted to clarify the policy direction with respect to both budget and services. He understood the policy direction to be that there would be no cuts in services. However, the department cannot fill vacancies created by early retirement of 75-125 drivers. Because it is too late to fill those positions now for this year, there will be service reductions. Mr. Elzey replied that the department had not received approval of requisitions from the Mayor's Office to backfill positions. There may be de facto service cuts in this fiscal year. Mr. Johnny Stein, General Manager, Municipal Railway, pointed out that it takes 3 months, or 13 weeks, from approval of a requisition until an operator is hired, trained and on the street.

President Chin pointed out that service cuts need to be approved by the Board of Supervisors.

Commissioner Makras said that the public would see a reduction in service that is being forced upon them by factors outside the control of the Commission or the department. He asked who would be responsible for such a service reduction.

Commissioner Chiesa asked whether the Mayor's Office had been advised that absent approval of requisitions for drivers that service would be cut. Mr. Elzey answered affirmatively.

Mr. Lawrence Martin, International Representative, Transport Workers Union, said that police security is an issue. He said that if there are cuts, there will be certain lines in the City which operators will not work. Less bus service affects the operators' security.

Commissioner Makras moved and Commissioner Jefferson seconded a resolution expressing the Commission's extreme concern about the possible reduction in transit service which will result from conditions outside the control of this Commission, namely the inaction with regard to approval of replacement requisitions for retiring 9163-Transit Operators, and urging immediate approval of the subject personnel requisitions, so as to allow the Municipal Railway to continue to provide the same level of transit services to the public. Resolution No. 92-0042 was unanimously approved.

Commissioner Chiesa stated that she had received communications from various unions regarding issues with the 1991-92 budget and the 1992-93 budget which the unions believe are meet and confer items in their Memorandums of Understanding (MOU). She said that she wanted to be assured that before the Commission acts on the budget that staff has met its obligations under the MOUs and if there is a disagreement, that the area of disagreement is defined.

Mr. Elzey said that there are many items in the budget proposals for both years that may be interpreted as meet and confer matters. Ms. Vicki Clayton, Deputy City Attorney, stated that she is reviewing both documents and will be advising the departments on these issues. Commissioner Makras requested copies of all MOUs and side letters. Ms. Clayton said she would provide them with indications as to which documents had been ratified by the Board of Supervisors and which had not.

Item No. 8 -- To consider budget proposals for the Municipal Railway, the PUC Bureaus and operating and capital budget proposals for the San Francisco Water Department and Hetch Hetchy Water and Power for fiscal year 1992-93.

Hetch Hetchy

Commissioner Makras stated that he had reviewed materials regarding municipalization of PG&E and is seeking additional information. He asked for comments from other Commissioners. Commissioner Chiesa said that the purpose of a study is to determine whether or not it is feasible. She said that it was her opinion that the City has an obligation to look at it. Commissioner Chin said that taking a first step with a feasibility study will frame the issues. If there needs to be a voluminous second phase of the study, that is a second issue. This is an important potential revenue generating item and much cheaper than other suggestions. Commissioner Jefferson requested a description of the various phases that would need to be evaluated in order to determine feasibility. In these years of budget deficits, he questioned whether the City could afford to do the kind of feasibility study necessary in order to determine if it's practical to consider the issue. He requested the major benchmarks to determine how far we would need to go to make a decision. Mr. Elzey stated that the Board of Supervisors' Budget Analyst found that if after a preliminary study there appear to be enough benefits to move forward, that a comprehensive study would cost between \$600,000 and \$900,000. The Budget Analyst's report also pointed out that in New Orleans, Louisiana the municipality spent \$6.7 million for consultants and attorneys before deciding not to do it. Commissioner Makras said that he needs a comprehensive business plan before considering the matter so that we know the extent of the cost of the project.

Municipal Railway

Ms. Michelle Witt, Acting Director of Finance, presented an overview of the Municipal Railway budget using charts. She said that the current budget is \$269 million of which \$198 million, or 74 percent, is salaries. Those salaries are: \$113 million for platform (transit operators); \$19 million for station agents and supervision; \$61 million for maintenance; \$2 million for other functions; and \$3 million for administration. Ms. Witt described other areas of expenditure. The department spends \$18 million on contractual services, of which \$7 million is for paratransit services. Other City departments receive \$13 million, which includes \$6 million for Workers' Compensation; and the departments share of the PUC Bureaus budget is \$16.3 million.

Mr. Johnny B. Stein, General Manager, Municipal Railway, presented an historical summary of the department's budget showing the amount received from the general fund and its percentage of the department's total budget. Since fiscal year 1986-87 the number of positions has decreased as well as the percentage the general fund contributes to the department's total budget.

Mr. Stein described in detail the additions to the baseline budget. He stated that the Mayor's instructions require the department to reduce its general fund requirements by 10 percent, which would be a reduction of \$11.6 million. Mr. Stein said that staff estimates a loss of approximately 152 positions through the early retirement program. Staff estimates a savings of \$3.75 million from not filling 40 percent of those positions. Other reductions are: \$1.8 million from a 10 percent cut in services of the PUC Bureaus; \$1 million from shifting responsibility for security to the Police Department; reducing special duty by \$.5 million; reorganizing automotive maintenance to the day shift for a savings of \$250,000; and other administrative efficiencies which brings the total savings to \$7,875,000.

Mr. Stein said that the requested reduction of \$11.6 million could not be raised from administrative cuts alone. The department has proposed two alternatives to achieve the \$11.6 million reduction -- either service cuts totaling \$4 million or fare increases totaling \$4 million. In considering service cuts, the department did not touch the downtown service area during the peak period because it would affect funding under the Transit Impact Development Fee. Staff considered the least utilized lines. Mr. Stein said that as the General Manager he did not recommend service cuts but only submitted it as a way to analyze all alternatives. The other alternative is revenue enhancement through a fare increase.

President Chin opened the meeting for public comments.

Mr. Samuel Ganczaruk spoke against only publishing timetables twice a year, especially when there may be a cut in service. He said that the Hunters Point area would be isolated after 9:00 p.m. if the 44 and 54 lines were cut. He supported elimination of ball park service.

Mr. Norman Rolfe expressed the opinion that it would be a mistake to eliminate transfers because one bus cannot take people from everywhere to everywhere. He opposed reducing the printing of timetables. If the printing budget is reduced, he suggested eliminating the "Cable Car Guide," the "Muni Times" and "Tours of Discovering." He said if weekend maintenance is cut, the buses will not be ready Monday morning. He suggested revisiting self-service fares. He said that government exists to provide services to their citizens. In order to provide those services they have to spend money and the way they get that money is through taxes. He said that it was foolishness to think that somehow or other we could avoid tax increases and avoid service cuts at the same time.

An unidentified speaker said that this proposal will result in more expensive service, on dirty buses with no security. He suggested implementing proof-of-payment and putting two sets of wires on Mission Street.

Mr. David Pilpel said that a lot of fat has already been cut from Muni. He said that he could only find 26 positions that should be cut. He suggested implementing the gas tax passed by the voters in 1980. He supported implementing self-service fares. He supported a fare increase as soon as possible, and said that there should also be an environmental review for fare increases and service cuts.

Mr. John Barbey, representing Liberty Hill Neighborhood Association, said that if the 26-VALENCIA line were cut it would have a severe impact on the Mission District.

Mr. James Stewart, retired Division Superintendent, Municipal Railway, stated that upper management has grown in the last 10 to 12 years while service on the street has decreased.

Mr. Lawrence Martin said that he views budget priorities as: 1) service; 2) the bus driver who provides that service; 3) security; 4) supervision and 5) maintenance. He suggested looking at the non-service areas before cutting any of these areas. He said that the union was very concerned about the security issue and street supervision. The proposed cut of service to Candlestick Park means the battle line has been drawn. Mr. Martin stated that there are two outstanding issues in the current MOU of \$178,000 for a hypertension study and \$65,000 for a health and safety facility which have not been funded and upon which the union is starting to charge interest.

Commissioner Chiesa said that she understood that ballpark service is part of overtime and would not result in layoffs.

Mr. Elzey replied that staff has not proposed layoffs. The proposal is that we would put the service out to bid and we would bid it at cost and if the Municipal Railway bids it at cost and becomes the operator, that eliminates the subsidy. There would not be any layoffs. Commissioner Makras said that the rationale would be to provide equal service at the cheapest price to the public.

President Chin asked if the union had a position on fare increases. Mr. Martin replied that San Francisco has one of the lowest fares of any major city in the United States. Many areas have fares of \$1.25 to \$1.50 plus a charge for transfers. He said that he did not know of any major city with a fare of under \$1.00.

Mr. John Bardis said that he was concerned about a budget of \$200 million in personnel without information as to how that personnel is distributed and what their relationship is to the service.

At 4:45 p.m. the meeting was recessed.

At 4:55 p.m. the meeting was reconvened.

Regarding the two MOU issues presented by the union, Mr. Elzey said that staff had reviewed the provisions of the MOU and it was their belief that payments made in fiscal years 1989-90 and 1990-91 totaling \$356,000 completed the City's obligation for a stress and hypertension study. In terms of the health facility, \$65,000 and an additional amount from the Registrar of Voters is required in order to build that facility. In the City's current economic times it is unclear whether we are committed to paying that money at this point in time. Given the budgetary crisis, if we could hold off on that and fund it out of next year's budget we would attempt to do that. Regarding the suggestion to move forward on imposing a gasoline tax, that would be contrary to instructions from the Mayor's office.

Mr. Elzey stated that there are several items staff would like to move forward with and want to meet and confer with the unions. These items include: 1) Proof of Payment; 2) a management plan to allow managers to assist in street supervision; 3) reducing absenteeism; 4) increasing the number of part-time operators; and 5) implementation of drug testing, including random testing. Staff wants to meet and confer on these issues before the next Commission meeting on the budget.

Mr. Bobbie Brown, President, Transport Workers Union, Local 250A, said that some of these items have already been negotiated or were never brought up.

The Commission went through the budget proposal page by page and asked questions.

Commissioner Makras asked how advertising revenue could be increased or enhanced, particularly since 1992 is an election year.

Mr. Alan Siegel, Acting Manager, Community Affairs, stated that when staff renegotiated the advertising contract last year with Transportation Display, Inc. (TDI), part of the agreement was that there would not be any alcohol or tobacco advertising starting January 1, 1992. Over the years approximately 20-25 percent of their revenues have been from alcohol and tobacco. That includes election years. As a result, the guarantee that TDI pays the City was lowered. The budget reflects that lower guarantee. There is a formula in place that if TDI sells a certain percentage more than the guarantee, they would pay the City more.

Commissioner Jefferson asked if rehabilitation was included in the drug testing program. Mr. Stein said it was not included. Mr. Elzey said that the issue of rehabilitation was still outstanding. There are existing programs like the Employees Assistance Program (EAP) and other community based programs. He said that he expected that there may be a need for something greater than that. But the question of who pays for it, who is responsible for it and how will it fit into our overall program of operations, have not been resolved.

Commissioner Makras questioned the amount of \$543,000 for 6 months for training new employees to replace employees who leave. He asked how will training go up that much when there is already a training program in place. Mr. Stein replied that this assumes a 10 percent failure rate for drugs and 5 percent for alcohol based upon the department's 1-month experience in 1988. Mr. Stein said that he would furnish the Commission the assumptions the department used to prepare this budget request.

Mr. Lawrence Martin expressed the opinion that the failure rate would not be that great. He said that rehabilitation must be included in the process and the union wants to meet and confer on this item.

Commissioner Makras stated that he believed the program could be implemented for less than \$1.3 million.

Commissioner Makras asked how the Trust Fund benefits compare to benefits for other City employees. Mr. Stein responded that the Trust Fund is a result of passage of Proposition G which amended the Charter in 1967 and fixed wages, benefits and holidays for bus operators. Other City employees do not have comparable Charter provisions.

Commissioner Chiesa asked if it were realistic to carry over the same amount of \$4.8 million for payment of claims and judgments. Ms. Witt replied affirmatively and said claims are cyclical, however, the trend is upward, and we may need more money next year.

Commissioner Chiesa stated that she would not approve any budget which deletes money for Municipal Railway security.

At 5:45 p.m. Commissioner Chiesa was excused.

Commissioner Chin asked if there was a Charter requirement that mandates the Municipal Railway to pay the Bureau of Light, Heat and Power for electricity. Mr. Moran replied that electricity is provided at cost. It is a cost recovery from the Municipal Railway just like from all general fund departments. If that money did not come in then it could not be turned over to the general fund. Mr. Elzey suggested that in the future staff could develop materials for the Commission to consider how funds flow between departments.

Commissioner Makras questioned the pass through provisions for material and labor increases in the tire rental contract. He asked why the City would not perform this service in-house rather than through contract. Mr. Philip Adams, Deputy General Manager, Maintenance, explained that the provisions of this contract are similar to what all transit agencies do.

Commissioner Chin requested an itemization of the offset for services of the PUC as it related to reassignment of Health and Safety positions.

Commissioner Chin said that he was opposed to shifting the Community Affairs position to PUC. Commissioner Makras agreed.

Commissioner Jefferson requested a memorandum on the Planning and Programming units of the Municipal Railway describing how many people, the cost, what do they do and what specific projects are they working on.

Commissioner Makras requested another category for balancing the budget, more administrative efficiencies of \$4 million and the consequences of implementing those efficiencies.

President Chin requested that staff rank in priority order the administrative efficiencies.

Mr. Pilpel spoke in opposition to personnel cuts.

Commissioner Makras requested a list of free services being provided.

Commissioner Jefferson requested information as to how the PUC Bureaus provide their services to the Water Department and Hetch Hetchy.

President Chin expressed concern that the preception may be to cut administration without considering how such action may affect service. He pointed out that the budget reduction is really \$20 million -- \$11 million from the general fund and \$9 million less in State revenues. He said that we need to make the best case we can.

President Chin questioned the fact that a supplemental appropriation was needed to fund services of the City Attorney for this year, while the budget proposes to cut funding for next year. Ms. Witt replied that staff has been looking at ways of monitoring services of the City Attorney and trying to reduce our spending. Mr. Krueger, Utilities General Counsel, pointed out that there is no rationale to cut the City Attorney's budget. The office only reacts to lawsuits filed against the City and does not file, or rarely files, a lawsuit on their own. He described this as planned underfunding which will put the City Attorney in the position of having to come back to the Commission requesting more money next year.

President Chin requested an itemization of the reductions in the Bureaus which total \$957,335.

President Chin asked how the proposed plan to shift security to the Police Department had been received by that department. Mr. Elzey replied that since it is overtime for the Police Department, he believed they would miss the opportunity to earn overtime. He said that security had always been a priority for PUC and the Municipal Railway. This item was suggested as one which would have a minimal impact on service. Commissioner Makras asked how we could provide security without paying time-and-a-half and requested statistics on arrests for the money already spent. He expressed concern about how the security function is operated.

Mr. Martin spoke in favor of having a dedicated police unit for the Municipal Railway.

President Chin asked about the possibility of cutting the budget for printing. Mr. Stein replied that he was of the opinion that the department should either do no schedules or correct schedules. Commissioner Makras agreed, and said that if we change routes or change fares we must print schedules.

Commissioner Jefferson asked about the elimination of the 2 Labor Relations positions. Mr. Stein explained that labor negotiations would become the responsibility of each Deputy and also the General Manager. Mr. Elzey added that the Bureau of Personnel would also pick up some of the workload.

President Chin said that discussion of service reductions and fare increases would be deferred to February 18, 1992.

Mr. Krueger said that he would check the notice requirements for meeting at a different location next week. After review of the Administrative Code, Mr. Krueger stated that there is a requirement for a 30-day notice to have a meeting at a location other than the normal meeting place, however, there is a provision in case of an emergency the Commission may by resolution designate some other appropriate place as its temporary meeting place. The resolution should reflect the fact that no other place was available in City Hall and that this was unexpected. The main issues are that the meeting is necessary, and it was not anticipated.

Commissioner Makras moved to declare an emergency with regard to the need to conduct a special meeting in order to complete the budget by the Mayor's deadline. Commissioner Jefferson seconded. This motion was unanimously approved.

Commissioner Makras moved, Commissioner Jefferson seconded, to designate 1155 Market Street, 4th Floor, as the meeting place on February 18, 1992, and directed that appropriate notices be given including posting a notice that we are meeting at the other location beginning at 12:00 noon.

Resolution No. 92-0050 was unanimously adopted.

THEREUPON THE MEETING WAS ADJOURNED: 7:25 P.M.

Romaine A. Boldridge
Secretary

MINUTES

8/92
PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

SPECIAL MEETING

1155 Market Street, 4th Floor

12:00 Noon

February 18, 1992

DOCUMENTS DEPT.

COMMISSIONERS

Gordon Chin, President

Nancy G. Walker, Vice President

Sherri Chiesa

James D. Jefferson

Victor G. Makras

MAR 6 - 1992

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DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and
Construction Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order 12:15 P.M.

Present: President Gordon Chin, Vice President Nancy G. Walker,
Commissioner Sherri Chiesa, Commissioner James D. Jefferson

Commissioner Victor G. Makras arrived at 12:20 p.m.

On motion of Commissioner Walker, seconded by Commissioner Jefferson,
the Minutes of the special meeting of February 3rd and the regular
meeting of February 11th, 1992 were approved.

A tape of the meeting is on file in the office of the Secretary of
the Public Utilities Commission.

RESOLUTION
NO.

On motion of Jefferson, seconded by Chiesa, the
following resolution was adopted:

92-0051 FM Authorizing the issuance of not-to-exceed
\$135,000,000 principal amount of San Francisco Water
Revenue Bonds, 1992 Refunding Series A, authorizing
execution and delivery of a Second Supplemental
Indenture providing for the issuance of said bonds,
adopting an Official Statement describing said
bonds, authorizing execution of a purchase contract
selling said bonds, authorizing execution of an
escrow agreement pertaining to the proceeds of said
bonds, delegating to the General Manager of the
Commission and Assistant General Manager, Finance,
of the Commission power to complete said Indenture,
Official Statement, Bond Purchase Contract and
Escrow Agreement, authorizing distribution of
documents and authorizing taking of necessary action.

VOTE: Ayes - Chin, Chiesa, Jefferson
 Noes - Walker, Makras

On motion of Jefferson, seconded by Chiesa, the
following resolution was adopted:

92-0052 FM Amending the definition of Federal Securities as
defined in Section 1.01 of Resolution No. 85-0413 of
the Commission which authorized the issuance by the
Commission of \$104,000,000 of its San Francisco
Water Revenue Bonds, Series of 1985, and authorizing
execution of a Supplemental Letter of Instructions
pertaining to the substitution of investment
securities on deposit in escrow fund for the Series
of 1985 Bonds, delegating to the General Manager of
the Commission Power to complete said Supplemental
Letter of Instructions and authorizing taking of
necessary action.

VOTE: Ayes - Chin, Chiesa, Jefferson
 Noes - Walker, Makras

Copies of the above resolutions are on file in the
office of the Secretary of the Public Utilities
Commission.

Report of the General Manager

1991-92 Budget

Mr. Thomas J. Elzey, General Manager of Public Utilities, reported that the Mayor's Office will be issuing budget instructions for balancing the 1991-92 budget by requiring reductions from the five largest departments - the Municipal Railway, Fire, Police, Social Services and Health Departments. He stated that staff would review the budget instructions and come back to the Commission with a recommendation of proposed adjustments. Mr. Elzey noted that there were no changes to the 1992-93 budget instructions.

Public Hearing

Item No. 5 -- To consider budget proposals for the Municipal Railway, the PUC Bureaus and operating and capital budget proposals for the San Francisco Water Department and Hetch Hetchy Water and Power for Fiscal Year 1992-93. (Continued from Meeting of February 11, 1992).

President Chin opened the meeting for public comments.

Mr. Edward Baker, Vice President, Sunset West Portal Council, spoke in opposition to proposed service cuts and route revisions of the 66-QUINTARA bus line which he said was a necessary means of transportation for people who work in the downtown area.

Ms. Jano Oscherwitz, representing Local 790, spoke against: not back filling the three Transit Information Clerk positions; the reassignment of the Bureau of Health and Safety staff; and the decentralization of Labor Relations. She also pointed out that due to the numerous assaults in the Muni Metro stations, that additional station agent positions were needed.

Ms. Joanne Mock spoke against eliminating the 3-JACKSON and 83-PACIFIC lines.

Mr. John-Erik O'Brien stated that a petition had been signed by numerous concerned Muni passengers opposing the proposed elimination of the 2-CLEMENT and 3-JACKSON lines. He was of the opinion that a fare increase along with significant service reductions does not make sense.

Ms. Bernadette Hooper stated that due to the nature of her job as a retailer, that the proposed elimination of the 3-JACKSON line would endanger her safety since she works late into the evening.

Mr. Lawrence J. Martin, International Representative, Transport Workers Union, spoke on several issues concerning service cuts, reduction in service, street supervision, the issue of security and maintenance.

Mr. Dick Delaney, representing Professional and Technical Engineers, Local 21, stated that the decentralization of Health and Safety was not in the best interest of the PUC.

Mr. Michael S. Cook, representing Automotive Machinists Union, Local 1305, commented on several items of concern to the union related to the Muni budget, such as, shift changes, early retirement, the wage freeze and overtime reductions.

Mr. Norman Rolfe, representing San Francisco Tomorrow, stated that a fare increase would be preferable to service cuts and urged the Commission not to make any changes which would be false economy and in the long run raise costs and lower revenues.

Mr. David Pilpel commented on the 1991-92 budget shortfall and the fact that there will be many requisitions that will not be filled. He stated that these de facto service cuts need to be publicized. He suggested that efforts should be made to limit special duty assignments to operators. Mr. Pilpel was of the opinion that this budget proposal provides for higher fares, less supervision, less reliability, less service, less maintenance, more graffiti and no security. He stated that higher fares would be acceptable in lieu of service cuts and that environmental and ridership impacts should be assessed.

Ms. Claire Zvanski, representing SEIU, Local 790, spoke against the proposed personnel substitutions and cuts, especially in the 1800 series classifications.

Mr. Dave Feltham, representing Municipal Planners Association, Local 21, echoed Mr. Delaney's comments. He expressed concern about contracting for two transit corridor studies while eliminating planning personnel who could do those studies.

Ms. Anne Bloomfield, representing Pacific Heights Residents Association, spoke in opposition to the proposed elimination of the 3-JACKSON line. She stated that before any definite decision is made about cuts in Muni service that there needs to be more public meetings. Ms. Bloomfield said that she would be in favor of having a fare increase rather than dropping service.

Municipal Railway

Mr. Peter Straus, Director of Planning, Municipal Railway, described proposed service cuts to the Commission with the use of a map. He stated that staff was not advocating service cuts in a pure sense but that the service cuts which he described were only a proposal to meet mandated savings of approximately \$4 million. Mr. Elzey stated that if the Commission decides to incorporate these proposed service cuts in the 1992-93 budget that there would still have to be public hearings held before any service cuts were implemented.

Ms. Michelle N. Witt, Acting Finance Director, Bureau of Finance, stated that another option would be to increase Muni fares which would generate approximately \$4.3 million in revenue. The fare increase proposal would raise the adult cash fare from 85¢ to \$1.00, and add discounted single ride tokens at 90¢ each. The adult Fast Passes would be increased from \$30 to \$32. The senior cash fare would be increased from 15¢ to 25¢. The senior pass would increase from \$4.50 to \$5.

Commissioner Walker asked where would the tokens be purchased. Ms. Witt replied that they would use their current distribution system where Fast Passes are purchased.

Mr. Stein stated that the demand for ridership is increasing in San Francisco, therefore, the staff recommendation is not to reduce service. He said that a fare increase would be preferable to any service cuts, especially since San Francisco has the lowest fare in the entire Bay Area.

Commissioner Makras stated that in order to have clean, safe and on time buses that staff must look at a long range plan if we are going to consider an increase in fares.

Commissioner Chiesa said that she would not vote for any budget that would take away any funds allocated for security. She stated that she was in favor of approving a fare increase but was opposed to any service cuts.

The meeting recessed at 2:32 P.M.
The meeting was reconvened at 2:46 P.M.

Mr. Stein gave a detailed description of additional administrative efficiencies in Muni's budget for 1992/93, per the request of the Commission at the February 11, 1992 meeting. He stated that 9% of Muni's budget is administration and these suggested administrative cuts would mean only one thing to Muni - layoffs. The package of additional administrative reductions would result in eliminating 71 positions, requiring layoffs for 63 employees and saving \$5 million. Mr. Stein said that these cuts would have an impact on the delivery of service because even though the position may be eliminated the function of the department would still exist.

Commissioner Jefferson stated, as a matter of principle, that this Commission should not recommend any further administrative cuts that would affect service.

Commissioner Walker moved and Commissioner Chiesa seconded that this Commission not entertain any service reductions as a mechanism to balance the budget, with the exception of ballpark service. This motion was unanimously approved.

Mr. Elzey pointed out to the public that there would be no policy decision made by the PUC to reduce Muni service.

Commissioner Makras moved and Commissioner Walker seconded to approve the additional administrative reductions, totalling \$5 million.

President Chin stated that he was not in favor of this motion because it exceeds the Mayor's request of a 10% reduction in the budget. Commissioner Jefferson stated that should Commissioner Makras' motion fail, that he would move that this Commission approve reductions in the 1992/93 budget totalling \$7.8 million in administrative services and \$2 million in additional position cuts limited to the management and supervisory levels. In addition, he would add security and supervision on the streets with a proposed fare revenue package which would include possible Transit Impact Development Fee (TIDF) funding. Commissioner Makras' motion failed.

Mr. Elzey stated that staff is pursuing possible uses of TIDF funds with the City Attorney's Office and would report to the Commission at a later date.

President Chin asked whether or not the \$1.3 million had to be spent within the next fiscal year for the drug testing program. Ms. Witt replied that January 1, 1993 would be effective startup date for random drug testing. Mr. Stein stated that it is mandated that 50% of Muni's "safety-sensitive" employees be randomly tested the first year the program is in force.

Commissioner Walker stated that it is the City's responsibility to provide a program of rehabilitation to employees who are identified as having a problem with drugs and alcohol.

Commissioner Jefferson moved and Commissioner Walker seconded to approve \$1.3 million for a drug and alcohol testing program. She requested that a portion of those funds be restricted with the condition that staff bring forward a proposal for a rehabilitation program. Commissioner Walker also included in that motion that: 1) staff meet and confer with the unions on this issue; 2) when the budget is submitted to the Mayor that staff send forward a letter to the Mayor requesting action on the drug and alcohol issues as they affect public safety employees; and, 3) a report be prepared as to how many lawsuits have been settled in the last five years that are drug or alcohol related. This motion was unanimously approved.

Mr. Elzey discussed the proposal to decentralize the Bureau of Health and Safety and whether or not to deploy staff to the various departments of PUC. Commissioner Chiesa asked what would be the cost impact on Muni's budget with the reassignment of the PUC Health and Safety positions. Mr. Elzey replied that there would be no budgetary effect since decentralization is based upon the allocation of costs before reassignment of personnel.

Commissioner Chiesa made a motion to reject the proposal to decentralize the Bureau of Health and Safety. Commissioner Walker seconded. This motion was unanimously approved.

Commissioner Chin moved that the transfer of the Community Affairs position to PUC General Manager's Office be rejected. Commissioner Chiesa seconded. This motion was approved by a Commission vote of 4-0 - Commissioner Walker was not present at the time of the vote.

The meeting recessed at 5:10 P.M.
The meeting was reconvened at 5:21 P.M.

Mr. Kirk Lawson, Manager, Bureau of Management Efficiency and Productivity, Public Utilities Commission, explained issues related to: 1) police security in terms of hiring more officers using straight time pay versus overtime pay; and 2) statistics on arrests and assaults before and after overtime funding began.

Commissioner Jefferson said that the public is demanding greater security on Muni. He commented that security should be funded over and above the current level and that we need to find a way to allocate more resources to security. He suggested that if it were funded through a fare increase, that we could guarantee the public that the money would be used for security.

Mr. Elzey recognized the need for more security and said that security on Muni would attract ridership. He recommended that no cuts be made to security.

Lt. Ed Fortner, San Francisco Police Department, cited problems with interdepartment communications as affecting security. He stated that he would compile a draft report within 30 days listing alternative uses of the money allocated to the SFPD with a breakdown of various options related to improving security.

Mr. Elzey stated that staff would come back to the Commission by June 1, 1992 with a plan on how the \$1,050,000 will be utilized.

Commissioner Makras moved and Commissioner Walker seconded to maintain the Burns Security contract for \$621,000. The motion passed unanimously. Commissioner Makras moved and Commissioner Walker seconded to retain \$1,050,000 for police security pending a report on better communications. The motion was unanimously approved.

Commissioner Walker asked staff what they were doing to reduce the costs of workers' compensation. Mr. Stein responded that they were doing everything legally possible to monitor workers' compensation claims. Commissioner Walker requested monthly that a list of names on workers' compensation be provided the Commission. She suggested that one way to reduce workers' compensation is to hire another claims adjuster.

Commissioner Jefferson moved and Commissioner Makras seconded that 10% of the money allotted for workers' compensation be used to fund an outside claims adjuster.

Mr. Lawson stated that the PUC is participating in the overall Citywide task force to reduce workers' compensation. There is a proposal before the Mayor to budget \$1.5 to \$2 million in next year's budget to hire an outside claims agency that would lower the amount of claims per adjuster. Commissioner Makras withdrew his motion with the stipulation that staff allocate funds to pay for an outside claims adjuster after the budget is approved by the Mayor.

Commissioner Makras said that he would not vote for a fare increase unless there is a benefit for the public, an increase in security and graffiti cleanup. He moved to adopt a program similar to RTD's program in Los Angeles which promises service within 15 minutes or the passenger rides for free. The motion died for lack of a second.

Commissioner Jefferson spoke in favor of including additional efficiencies at the administrative level.

President Chin stated that the reality of the situation is that transportation will be greatly impacted as a result of the Mayor's instructions to reduce Muni's budget by 10%. Commissioner Chiesa argued against submitting the budget absent a fare increase. Commissioner Makras stated that if we propose a fare increase that we must promise to have clean, safe and on time buses.

President Chin moved and Commissioner Chiesa seconded that the 1992/93 budget to the Mayor include administrative efficiencies totalling \$7.2 million, a proposed fare increase of \$4.3 million, and a proposal to implement a token distribution and accessibility program. Also, it should be articulated to the Mayor's Office that PUC's goal is to have a transportation system that is clean, safe and on time and to give maximum attention to looking at additional revenue sources, such as, TIDF funds to maintain and enhance services in the downtown area. Muni's history of budget cuts should also be reiterated. The motion carried by a 3-2 vote with Commissioner Makras and Commissioner Jefferson voting against the motion.

President Chin recessed the meeting to 12 noon, February 19, 1992 at the same location.

THEREUPON THE MEETING WAS RECESSED AT: 8:15 P.M.

Romaine A. Boldridge
Secretary

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

RECESSED MEETING

1155 Market Street, 4th Floor

12:00 Noon

February 19, 1992

DOCUMENTS RECEIVED

MAR 6 - 1992

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

Gordon Chin, President

Nancy G. Walker, Vice President

Sherri Chiesa

James D. Jefferson

Victor G. Makras

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and
Construction Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

The meeting reconvened at 12:15 P.M.

Present: President Gordon Chin, Vice President Nancy G. Walker,
Commissioner Sherri Chiesa, Commissioner James D.
Jefferson, Commissioner Victor G. Makras

A tape of the meeting is on file in the office of the Secretary of
the Public Utilities Commission.

RESOLUTION

NO.

On motion of Chin, seconded by Chiesa, the following
resolution was adopted:

92-0053 GM Adopting Fiscal Year 1992/93 operating and capital
Budgets for all departments and bureaus under the
jurisdiction of the Public Utilities Commission.
(Continued from Special Meeting of February 18,
1992).

VOTE: Ayes - Chin, Walker, Chiesa
 Noes - Jefferson, Makras

A copy of the above resolution is on file in the
office of the Secretary of the Public Utilities
Commission.

Public Hearing

Resolution 92-0053 -- To consider budget proposals for the Municipal
Railway, the PUC Bureaus and operating and capital budget proposals
for the San Francisco Water Department and Hetch Hetchy Water and
Power for Fiscal Year 1992-93. (Continued from Special Meeting of
February 18, 1992).

Hetch Hetchy

Commissioner Jefferson inquired as to whether there was a formula
for determining how much is contributed to the general fund from
Hetch Hetchy's budget. Mr. Moran responded that it was established
some time ago that a long term average of \$25 million per year be
given to the general fund. When it appears that is not possible,
then it becomes a negotiating process between the department, the
Mayor and the Controller's Office. Commissioner Jefferson expressed
the opinion that it would be desirable to contribute additional
money to the general fund by deferring certain projects. Mr. Moran
stated that the department had done everything possible to maximize
their contribution to the general fund.

Commissioner Walker spoke in support of a feasibility study related
to the municipalization of PG&E. She said that she was well aware
that if a feasibility study were included in the budget, the Mayor
would reject such a proposal. She said she did not want to go
through that exercise. Commissioner Walker was of the opinion that
the City needs to take serious steps to consider this study.
President Chin added that he also was in support of a feasibility
study.

Commissioner Jefferson referred to staff's budget proposal to increase professional services by \$1.2 million and asked what exactly were those services for. Mr. Moran replied that the funds would primarily be used for legal services for protection of the City's water rights. This is a project which is currently underway. Commissioner Makras expressed concern about the increase in spending for legal services prior to actual litigation.

President Chin stated that if there was a need for on-going services that we need to take a look at in-house legal services versus outside legal counsel. Mr. Moran stated that the City Attorney's fees have also increased and that the City Attorney's Office has been working closely with staff related to the City's water rights.

Mr. George Krueger, General Counsel for Public Utilities, stated that currently there are four attorney's set aside to focus mainly on defending the City's water rights.

Commissioner Walker asked how much revenue was in this budget related to the filtration project. Mr. Moran replied that currently there were no funds allocated towards the filtration project. Commissioner Walker requested that the filtration of Hetch Hetchy water in relation to the City's water rights be discussed at the next Executive Session scheduled for February 25, 1992.

Commissioner Jefferson requested a list of specific products that are generated from the various legal consulting firms.

Commissioner Makras moved and Commissioner Chiesa seconded to approve the Hetch Hetchy budget reflecting the change of one Health and Safety position. This motion was unanimously approved.

Commissioner Walker moved and Commissioner Makras seconded to approve the Bureau of Light, Heat & Power budget. This motion was unanimously approved.

Water Department

Mr. John P. Mullane, General Manager, Water Department, pointed out that the Water Department is an enterprise fund and that 60% to 65% of the Water Department's revenue is generated from water sales to the suburban wholesale customers.

Commissioner Jefferson questioned why City departments do not pay excess use charges and why staff had not recommended in the 1992/93 budget a proposal to address this issue. He stated that City departments basically have no incentive to conserve water since they are not penalized for excess use.

Mr. Mullane said that he was in full agreement with the Commissioner. City departments should be charged for water. But given the current deficit in the general fund, it would be extremely difficult to charge City departments for their water at this time. He stated that staff had looked at a number of alternatives that would require City departments to pay without having a direct impact on the general fund.

Commissioner Jefferson remarked that City departments should at least pay for their excess use charges. Commissioner Walker expressed her opinion that it was not fair that City departments have free water when other customers are being rationed their use of water. She recommended that City departments be charged excess use charges.

Commissioner Jefferson moved and Commissioner Makras seconded to establish a policy that City departments be charged for excess water use beginning next year and directing staff to bring forward a plan on how to implement this policy decision. This motion was unanimously approved.

Commissioner Jefferson asked, given the recent rains, whether it was still necessary to budget \$7.5 million for the purchase of water from the State water bank. Mr. Mullane replied that by April 1, 1992, staff would be in a better position of knowing just what their water supply situation would be and whether or not there would be the need to continue rationing.

Commissioner Jefferson moved and Commissioner Makras seconded to approve the Water Department budget, as revised, including the addition of two Health and Safety positions. This motion was unanimously approved.

PUC Bureaus

Mr. Thomas J. Elzey, General Manager of Public Utilities, stated that the PUC Bureau budgets reflect the changes made by the Commission on the issue of decentralizing Health and Safety, security and the Community Affairs position.

Commissioner Walker requested a report on the number of employees who receive free parking. She also requested information on the public education efforts of the departments.

Commissioner Makras moved and Commissioner Jefferson seconded a motion to approve the PUC Bureau's budget, as revised. This motion was unanimously approved.

Municipal Railway

Mr. Elzey requested the Commission to reconsider incorporating the two labor relations positions totalling \$170,000 and the fencing program totalling \$80,000 in Muni's budget. He stated that the two labor relation positions in Muni's budget are assigned to negotiate labor relations contracts and that the funds allocated for the fencing program pays for services provided by the San Francisco Conservation Corps to help in the cleanup of graffiti from Muni vehicles.

Commissioner Makras moved and Commissioner Jefferson seconded to restore the fencing program for \$80,000. This motion was unanimously approved.

President Chin stated that he was not prepared to vote to amend the budget to restore the two labor relations positions at this time. He suggested that the General Manager bring forward a budget revision proposal highlighting the labor relations functions of Muni.

Commissioner Chiesa requested regular reports on graffiti removal highlighting when fencing in certain yards was completed.

Commissioner Jefferson questioned the need for planning positions in two Muni departments and engineering positions within Muni's Maintenance Engineering Department and the duplication of positions in the Utilities Engineering Bureau (UEB). Mr. Elzey replied that Muni's Maintenance Engineering Department primarily focuses on the engineering necessary for maintenance functions of Muni in particular, whereas, UEB focuses on the development, design, engineering and building of projects on a larger scale.

Mr. Phil Adams, Deputy General Manager, Maintenance Engineering, Municipal Railway, explained the functions of the various planning positions within Muni and stated that the role of Muni planners was totally different in terms of responsibility and background.

Mr. Adams explained in detail the reorganization of the Muni Maintenance Department and stated that there would be no direct impact on the Muni budget since it is a no cost internal adjustment of the Maintenance Department.

Commissioner Chiesa asked if there would be any layoffs as a result of this reorganization. Mr. Adams replied that they do not anticipate any layoffs from the reorganization.

Commissioner Jefferson moved and Commissioner Walker seconded to approve the reorganization of the Muni Maintenance Division with the stipulation that there be no layoffs and that a full presentation of this proposal be brought before this Commission within 30 days. This motion carried with a 4-1 vote with Commissioner Makras voting no.

Mr. Elzey requested that the Commission approve restoring two purchaser positions to the Muni budget that Muni would have paid for in the Purchasing Department. There would be no budget impact.

Commissioner Jefferson moved and Commissioner Chiesa seconded to approve the substitution of two purchaser positions. This motion was unanimously approved.

President Chin requested a briefing in 30 to 60 days on the entire Transit Impact Development Fee (TIDF) program and eligibility criteria.

On motion of Commissioner Chin, seconded by Commissioner Chiesa, Resolution No. 92-0053 was approved. The motion carried with a 3-2 vote with Commissioner Jefferson and Commissioner Makras voting no.

THEREUPON THE MEETING WAS ADJOURNED AT: 3:24 P.M.

Romaine A. Boldridge
Secretary

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5/92
MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan
Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

February 25, 1992

DOCUMENTS DEPT.

COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

MAR 6 - 1992

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DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and
Construction Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Present: President Gordon Chin, Commissioner James D. Jefferson,
Commissioner Victor G. Makras, Commissioner Michael E.
Hardeman

Commissioner Patricia A. Carson arrived at 2:20 P.M.

A tape of the meeting is on file in the office of the Secretary of
the Public Utilities Commission.

ELECTION OF OFFICER FOR VICE PRESIDENT

Commissioner Jefferson nominated Commissioner Victor G. Makras for
the office of Vice President. Commissioner Chin seconded.

Commissioner Makras was elected Vice President for the remainder of
the term.

VOTE: Ayes - Chin, Jefferson, Carson, Hardeman

RESOLUTION
NO

On motion of Jefferson, seconded by Makras, the
following resolution was adopted:

92-0054 MR Approving collection of charges for damages for the
month of December 1991, against the San Francisco
Municipal Railway from miscellaneous debtors in the
amount of \$16,318.27 and write-off compromise
reductions for comparative negligence in the amount
of \$1,655.27; and Bureau of Light, Heat & Power from
miscellaneous debtors in the amount of \$200.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

On motion of Jefferson, seconded by Makras, the
following resolution was adopted:

92-0055 WD Approving the plans and specifications as prepared
and recommended by staff, and authorizing Bid Call
for Water Department Contract No. WD-2118, CDD Yard
Underground Tank Replacement.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

On motion of Jefferson, seconded by Makras, the
following resolution was adopted:

92-0056 WD Awarding San Francisco Water Department Contract No.
WD-2073, 8-Inch Ductile Iron Main Installation in
California Street between Steiner Street and
Presidio Avenue and in Octavia Street between
Vallejo and Union Streets, in the amount of \$315,220
to Ranger Pipelines and A. Ruiz, AJV, San Francisco,
CA.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

RESOLUTION
NO

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

92-0057 PT Approving the Non-Civil Service and Temporary appointments and removals as indicated on the Temporary Employment Activity Roster, for the month of January, 1992.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0058 MR Authorizing and directing the Municipal Railway to extend service on the 12-FOLSOM line; authorizing discontinuance of service at all times on a portion of the 83-PACIFIC line; and requesting Board of Supervisors' approval not to disapprove discontinuance of service on the 83-PACIFIC line.

VOTE: Ayes - Chin, Jefferson, Carson, Hardeman
Noes - Makras

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0059 MR Authorizing the General Manager of Public Utilities to execute Modification No. 3 to the personal services contract with George Pattee to extend the duration of the contract through June 30, 1992 for work being performed in the rehabilitation of Market Street Railway Streetcar #798 at Deuel Vocational Institute in Tracy, California.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0060 WD Authorizing execution of a 2,100 acre livestock grazing lease to Tony and Russ Fields, dba Fields Livestock, on Water Department land located in Alameda and Santa Clara counties, for a term of approximately 9 months, commencing upon execution date of lease and ending October 31, 1992, at a rental of \$20,000 per year, payable \$10,000 semi-annually in advance.

VOTE: Ayes - Chin, Jefferson, Carson, Hardeman
Noes - Makras

At 4:55 P.M. Commissioner Jefferson was excused.

On motion of Hardeman, seconded by Carson, the following resolution was adopted:

92-0061 WD Authorizing the General Manager of the Water Department to enter into a Joint Funding Agreement with the U.S. Geological Survey (USGS) in order to initiate a regional groundwater assessment study in San Francisco Water Department's service areas within San Mateo, Santa Clara and Alameda Counties.

VOTE: Ayes - Chin, Makras, Hardeman, Carson

RESOLUTION
NO _____

On motion of Makras, seconded by Chin, the following resolution was adopted:

92-0062 WD Commending Martin H. Lieberman on the occasion of his retirement for 32 years of dedicated service to the City and County of San Francisco and extending best wishes to him and his family for many years to come.

VOTE: Ayes - Chin, Makras, Carson, Hardeman

At 5:00 P.M. Commissioner Jefferson returned.

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

92-0063 HH Authorizing the General Manager of Hetch Hetchy Water and Power to enter into an agreement with McLeod & Associates for confidential economic consulting services related to the Urban Water Management Plan Act and the Bay Delta Hearings being conducted by the State Water Resources Control Board, and for services related to Federal Energy Regulatory Commission matters.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

92-0064 HH Authorizing the General Manager of Hetch Hetchy Water and Power to enter into an agreement with David M. Dornbusch & Company, Inc. for confidential economic consulting services related to the Urban Water Management Plan Act and the Bay Delta hearings being conducted by the State Water Resources Control Board, and for services related to Federal Energy Regulatory Commission matters.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

On motion of Makras, seconded by Hardeman, the following resolution was adopted in Executive Session:

92-0065 HH Authorizing the General Manager of Utilities Engineering Bureau to terminate Hetch Hetchy Contract HH-830 with Healy Tibbitts, Inc., in accordance with the requirements of Section 65, Termination of Contract, of the General Provisions, for violation of said Section 65 and Section 42, Contractor to Supply Sufficient Men and Material.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

RESOLUTION
NO

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0066 FM Declaration of official intent of the Public Utilities Commission of the City and County of San Francisco to reimburse certain capital expenditures from proceeds of taxable or tax-exempt indebtedness related to the purchase or acquisition of 150 Oak Street.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Makras, seconded by Jefferson, the following resolution was adopted in Executive Session:

92-0067 GM Approving the appointment made by the General Manager of Public Utilities of Michelle N. Witt as Assistant General Manager, Finance, PUC to be effective immediately.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Old Business

President Chin welcomed on behalf of the Commission, Commissioner Michael E. Hardeman and Commissioner Patricia A. Carson as new members of the Public Utilities Commission.

Announcement

President Chin announced that the Commission met in Executive Session on February 25, 1992 and approved the appointment of Michelle N. Witt as Assistant General Manager of Finance of the Public Utilities Commission.

Report of the General Manager

FY 1991-92 Budget Status Report

Mr. Thomas J. Elzey, General Manager of Public Utilities, stated that staff had received instructions from the Mayor's Office requesting that Muni reduce its budget by \$1 million in order to balance the 1991-92 budget. He referred to the February 21, 1991 memorandum forwarded to the Mayor's Office highlighting Muni's proposed deficit reduction program totalling \$1 million.

Mr. Elzey also said that replacement requisitions for Muni operators who are taking advantage of early retirement are very close to being cleared by the Mayor's Office. He updated the Commission as to what impact this particular situation would have on Muni service.

Hetch Hetchy Filtration

Mr. John P. Mullane, General Manager, Water Department, gave a presentation on the concept of filtering Hetch Hetchy water. He explained the history of filtration in the San Francisco water system and said that prior to 1966 all the water in the system was unfiltered. Since 1966, filtering plants had been built in an effort to disinfect the water through a process of chlorination and filtration.

Mr. Mullane stated that by 1993 all surface water in the State of California must be filtered, based on EPA regulations that are being enforced by the State Department of Health Services. He noted that San Francisco had the only surface water in the state that was not filtered, therefore, in order to be in compliance with EPA regulations, the department must filter their surface water. An executive summary of the Hetch Hetchy Water Treatment Plant Siting Study was completed in December 1991. The purpose of that study was to provide background data and costs for the potential siting of a Hetch Hetchy filtration plant to treat the existing water supply.

Mr. Mullane stated that the department must respond by the end of February to the State Department of Health as to whether we intend to filter, what our schedule for compliance will be and what our financing plan will be.

He explained the various options the Commission could take in relation to the mandated law, such as: 1) opting to do nothing, which would mean we would be out of compliance with both state and federal regulations with potential legal consequences; 2) not filtering the vast majority of water but rather filtering water that only goes through the current San Andreas system, which would mean that San Francisco and most of its suburban customers that are located north of the plant would be in compliance and the vast majority of customers located south of the plant would be out of compliance; 3) seeking legislative remedy to change the law; 4) installing advance disinfection at Hetch Hetchy; or 5) comply with the State regulations to filter all surface water. Mr. Mullane recommended that the department choose option 5 and comply with both state and federal regulations to avoid potential legal ramifications.

Commissioner Jefferson asked what the difference was between disinfection and filtering of water. Mr. Steve Leonard, Manager, Water Quality Control, replied that disinfection means to kill the organisms that are in water, whereas filtration adds to that by removing those organisms.

President Chin asked who will share in the cost of the filtration project. Mr. Mullane replied that the rate payers of San Francisco will assume the responsibility to pay for any capital development until the project is on line and at that time the department's suburban customers will begin to pay for the project through the use of the rate structure.

Commissioner Makras requested that staff provide the Commission with documentation on the Hetch Hetchy filtration project. Mr. Elzey pointed out that staff will be sending a letter to the State Department of Health by February 28, 1992 on the proposed project schedule. He assured the Commission that staff has taken its responsibility on this issue very seriously.

Resolution No. 92-0058 -- Authorizing and directing the Municipal Railway to extend service on the 12-FOLSOM line; authorizing discontinuance of service at all times on a portion of the 83-PACIFIC line; and requesting Board of Supervisors' approval not to disapprove discontinuance of service on the 83-PACIFIC line.

Mr. Angelo Figone, General Superintendent, Schedules and Service Planning, Municipal Railway, gave a presentation with the use of charts of four alternative proposals on the discontinuance of service on the 83-PACIFIC line and extension of service on the 12-FOLSOM line. Public meetings were held on September 25, 1991 presenting the various alternatives. As a result of the meeting, several residents in the Pacific Heights area spoke in support of alternative #4. Their chief complaint was that the high number of buses travelling through the neighborhood result in unnecessary noise, pollutants and congestion and that ridership demand did not justify the level of service offered, especially in the evenings and on weekends. Mr. Figone noted that alternative #4 was amended to reflect that the 83-PACIFIC line be re-routed south on Polk Street and west on Jackson to Van Ness. He stated that these proposed changes could be implemented with no increase in vehicle requirements or operating costs, therefore, he recommended that the Commission approve the proposed resolution to extend service on the 12-FOLSOM and discontinue service on a portion of the 83-PACIFIC line at all times, as amended.

President Chin invited public comments.

Mr. Samuel R. Ganczaruk spoke in support of alternative #4 with the exception that service on the 12-FOLSOM line should operate on Saturday until 8:00 p.m.

Mr. Proctor Jones, representing 200 residents in the Pacific Heights area, spoke in support of alternative #4 provided there would be no bus service on holidays, weekends and that service start at 6:30 a.m. and terminate at 7:00 p.m. He complimented staff on their planning efforts in connection with the 83-PACIFIC line.

Mr. Authur Roth spoke in favor of proposal #4 because of the tremendous noise pollution and the underutilization of the 83-PACIFIC line during most of the day, except during rush hours.

Ms. Enid Lim, representing Chinatown Trip, spoke in support of the proposed change and stated that the extended 12-FOLSOM line would provide service from Pacific Heights and Chinatown to the Financial District, South-of-Market and the Mission which would service the Chinatown community very well.

Mr. Whitman McGowan spoke in support of this route change, although was opposed to any additional diesel buses travelling up his street, which would result in unnecessary pollution in his neighborhood.

Mr. Marti J. Austin, representing Pacific Heights Resident Association, spoke in favor of alternative #4.

Ms. Barbara Failing spoke in opposition to alternative #4 with the amended change. She stated that with the current level of diesel buses passing through her neighborhood, additional diesel buses would be intolerable.

Mrs. Sharon Bullock Libresco spoke in support of alternative #4 but suggested elimination of a bus stop between Van Ness Avenue and Franklin Street.

Mr. Jon Baer spoke in favor of the proposed route change, as amended. He expressed that this change would eliminate the noise factor created by diesel buses between Van Ness Avenue and Franklin Street.

Ms. Doris Marie Hagopian spoke in opposition to staff's proposal and requested that the evening and weekend service to Franklin Street be maintained because their only mode of transportation is the Muni.

Ms. Deanna R. Brinkman, representing residents of the Broadway and Pacific Heights neighborhood, spoke in support of alternative #4, as amended.

Mr. Laurence Fishkin spoke in support of alternative #4, as amended but suggested that due to the noise factor caused by the 83-PACIFIC bus stop on Fillmore Street and Jackson Street, that the stop be re-routed down towards Fillmore Street and Washington Street.

Mr. David Pilpel noted that historically there used to be cable car service in the Pacific Heights area. Mr. Pilpel commented that there would be no night, weekend or holiday service as a result of this change, therefore, it would be a reduction in Muni service.

Mr. Josh Libresco echoed the same view as his wife, Mrs. Sharon Bullock Libresco.

Commissioner Makras presented his reasons for voting against the proposed change due to the fact that night, weekend and holiday service would be discontinued. He expressed his opinion that because ridership demand did not justify the level of service offered, that was no reason to discontinue service. Commissioner Makras remarked that we have a responsibility to send a message to the residents of San Francisco that no matter where one lives that transportation will be provided.

President Chin said that, given the public testimony in support of alternative #4, as amended, he was in favor of staff's recommendation.

On motion of Commissioner Hardeman, seconded by Commissioner Jefferson, Resolution No. 92-0058 was approved. Commissioner Makras voted against the motion.

Item No. 11 -- Authorizing the circulation of a Request-for-Proposals for professional services to undertake a Bayshore Corridor System Planning Study.

Mr. Fred Howell, Director, Resource and Planning Development, recommended that a Request-for-Proposals (RFP) be circulated for a Bayshore Corridor System Planning Study. He said this project is to be funded from the Transportation Sales Tax (Proposition B), which will examine options for local Muni operations. Mr. Howell remarked that the purpose of the study is to identify an alternative that is inexpensive enough so that the department would not have to apply for federal funds. The Department of City Planning and other non-profit organizations are encouraged to bid on this project.

Mr. Dave Feltham, representing Municipal Planners Association, Local 21, stated that Local 21 was not opposed to the study but did have serious concerns about the idea of performing this kind of work through personal services contracts to private consultants as opposed to in-house. Mr. Feltham said there are transit planner classifications both at Muni and the Department of City Planning that are trained to perform such a study and was of the opinion they should be given the opportunity to perform such work. From an economical standpoint, Mr. Feltham expressed that it would make more sense to have City staff perform the work rather than contracting the work out to an outside consultant.

Mr. Elzey stated that the Department of City Planning and other non-profit organizations will be encouraged to submit proposals to perform this work. Staff would then evaluate their ability to deliver this project on time and in a cost-effective way. Mr. Elzey noted that the Bayshore Land Use Plan Study was performed by planners in the Department of City Planning and asked Mr. Feltham how long it took to conduct that study. Would it be fair to say that it took years to complete? Mr. Feltham replied affirmatively.

Commissioner Jefferson asked what the relationship was between the Transportation Authority and the PUC as it relates to the Bayshore Corridor Study. Mr. Elzey replied that the Transportation Authority authorized and workordered funds to Muni to manage the Bayshore Corridor Study. The Transportation Authority has the authority to determine how the Prop. B Sales Tax monies are spent.

Ms. Brigid Hynes-Cherin, Executive Director, Transportation Authority, explained that the Transportation Authority is a funding agency for projects that are in Transportation Expenditure Plan, which was approved by the voters in 1989. The Transportation Authority reviews the requests for funds from City departments and decides whether the project is eligible under the expenditure plan and then provides the money to the department to do the actual work. Then it is up to the department as to whether or not they choose to perform the work in-house or not.

Commissioner Jefferson stated that the Mayor and Board of Supervisors had made it very clear that they wanted this study completed in a timely manner so as to improve service to the Bayshore community. Commissioner Jefferson expressed concern that the process would become very lengthy if federal funding were contemplated. He said in view of the fact that Proposition B monies are available to fund improved transit in this area, why is the RFP so heavily weighted in the direction of the Federal Transit Administration (FTA) process?

Mr. Howell responded that the intent is to keep us eligible during the process of the study and said that there is no commitment that federal funding will be pursued.

Commissioner Jefferson suggested that the calendar item be continued in order to allow the Commission more time to review the scope of work in terms of what staff is trying to achieve.

The item was continued to allow the Commission more time to review the scope of work.

Resolution No. 92-0060 -- Authorizing execution of a 2,100 acre livestock grazing lease to Tony and Russ Fields, dba Fields Livestock, on Water Department land located in Alameda and Santa Clara counties, for a term of approximately 9 months, commencing upon execution date of lease and ending October 31, 1992, at a rental of \$20,000 per year, payable \$10,000 semi-annually in advance. (Continued from January 28, 1992 meeting.)

Commissioner Makras made a motion to approve the lease with two changes: 1) the late charge be raised to 6% of the rental fee, and 2) should the tenant request an assignment of the lease, that they reimburse the City its cost up to \$750.

President Chin spoke in support of Commissioner Makras' motion but was concerned about what implications this would have in reference to overall lease policy.

Commissioner Hardeman expressed his opinion that this item should be approved as is, since staff had already negotiated an agreement with the tenant based on what they have historically done. He said that any change in policy should be applied to future leases. Commissioner Carson concurred with Commissioner Hardeman's remarks. Commissioner Makras withdrew his motion.

Mr. Elzey stated that staff will be reviewing all forthcoming leases to make sure they are in line with current industry standards.

On motion of Commissioner Jefferson, seconded by Commissioner Hardeman, Resolution No. 92-0060 was approved. Commissioner Makras voted against the motion.

Public Comments

Mr. David Pilpel expressed his views on several items, such as, the filtration of Hetch Hetchy water; reduction of Muni service in FY 1991-92; problems related to the J & M project; the implementation of a self-service fare collection and proof-of-payment system; outreach on the Short Range Transit Plan; early retirement (Prop. A); and, the proposal to privatize a portion of the Municipal Railway.

THEREUPON THE MEETING WAS ADJOURNED: 5:30 P.M.

Romaine A. Boldridge
Secretary

M I N U T E

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

March 10, 1992

DOCUMENTS DEPT.

MAR 27 1992

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COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and
Construction Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order 2:15 P.M.

Present: President Gordon Chin, Commissioner James D. Jefferson,
Commissioner Victor G. Makras, Commissioner Patricia A.
Carson, Commissioner Michael E. Hardeman

On motion of Commissioner Jefferson, seconded by Commissioner Makras,
the Minutes of the special meeting of February 18th, recessed
meeting of February 19th, and the regular meeting of February 25,
1992 were approved, as amended.

A tape of the meeting is on file in the office of the Secretary of
the Public Utilities Commission.

RESOLUTION
NO

On motion of Jefferson, seconded by Makras, the
following resolution was adopted in Executive
Session:

92-0068 MR Approving settlement of litigation titled Verna P.
Greeley v. CCSF, et al., Superior Court No. 928-063.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

On motion of Jefferson, seconded by Makras, the
following resolution was adopted:

92-0069 WD Requesting the Controller to draw warrants in
payment of claims against the San Francisco Water
Department, totalling \$32,500.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

On motion of Jefferson, seconded by Makras, the
following resolution was adopted:

92-0070 FM Authorizing the General Manager of Public Utilities
to request the Controller to transfer \$255,000 from
Project 863, Generator Radio Frequency Monitoring to
Project 829, System Control and Data Acquisition
(SCADA) System Modifications and Additions.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

On motion of Jefferson, seconded by Hardeman, the
following resolution was adopted:

92-0071 WD Approving the transfer of \$60,000 from the Water
Department W710.1 Millbrae Shops I Project to the
Water Department W755.0 Stanford Heights Seismic
Study Project.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

- On motion of Jefferson, seconded by Makras, the following resolution was adopted:
- 92-0072 HH Accepting the work performed under San Francisco Hetch Hetchy Water and Power Contract No. HH-803, Cherry Valley Domestic Water Supply, as satisfactorily completed; approving Credit Contract Modification No. 2 in the amount of \$3,997.89; and authorizing final payment in the amount of \$2,620 to Lee Engineering Enterprises, Inc., Contractor.
- VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman
- On motion of Jefferson, seconded by Makras, the following resolution was adopted:
- 92-0073 EC Authorizing the Bureau of Energy Conservation to modify its contract with Brown, Vence and Associates for a no-cost time extension of six months from contract certification by the Controller, to continue the Capital Project Design Review Program.
- VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman
- On motion of Jefferson, seconded by Makras, the following resolution was adopted:
- 92-0074 GM Designating Tuesday, April 14, 1992 at 2:00 p.m., in Room 282, City Hall, San Francisco, as the date, time and place for a public hearing by the Public Utilities Commission to consider proposals for rate increases for water service and water supplied by the San Francisco Water Department to its retail and wholesale customers.
- VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman
- On motion of Jefferson, seconded by Makras, the following resolution was adopted:
- 92-0075 GM Commending Sherri A. Chiesa for her many contributions as a member of the Public Utilities Commission and for her dedicated service to the people of the City and County of San Francisco; and extending personal best wishes for good health and happiness in the future.
- VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Carson, the following resolution was adopted:

92-0076 GM Commending Nancy G. Walker for her many contributions as a member of the Public Utilities Commission and for her dedicated service to the people of the City and County of San Francisco; and extending personal best wishes for good health and happiness in the future.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

92-0077 WD Directing the San Francisco Water Department to collect payment for excess use charges computed on water consumption by City Non-paying Municipal Accounts, effective with meter reads which occur on or after July 1, 1992; and directing the San Francisco Water Department to report to the Commission on or before February 3, 1993, regarding the feasibility of collecting payment on all water charges billed to Non-paying Municipal Accounts, effective with meter reads which occur on or after July 1, 1993.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0078 WD Authorizing the General Manager of the Water Department to negotiate and execute a professional services agreement with Westin Engineering, Inc. for an amount not-to-exceed \$750,000 for the preparation of a Master Plan for the Development of a Total Utility (SCADA) System.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Makras, seconded by Jefferson, the following resolution was adopted:

92-0079 HH Authorizing the General Manager of Hetch Hetchy Water and Power to sign a professional services contract with Dr. Robert Yoshiyama, Consultant, for temporary and expert services on matters related to fisheries in connection with the Bay-Delta hearings and other matters related to water supply.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

92-0080 UEB Authorizing the Manager of Utilities Engineering Bureau to amend the amendment with Morrison-Knudsen Engineers, Inc. to increase the contract cost ceiling by \$40,000 from \$320,000 to \$360,000, and extending the term of the contract to June 30, 1992 to provide as-needed design and field engineering services.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Makras, the following resolution was adopted:

92-0081 UEB Awarding San Francisco Water Department Contract No. WD-2107, Sunol Valley Water Treatment Plant Improvements, in the amount of \$4,569,960 to Nibbi-Lowe Construction, AJV, San Francisco, CA; and requesting the Controller to transfer \$1,994,000 from FAMIS Account No. 692830 into FAMIS Account No. 692285 for this project.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Makras, seconded by Jefferson, the following resolution was adopted:

92-0082 UEB Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for San Francisco Water Department Contract No. WD-2115, San Andreas Pipeline No. 3 - Rehabilitation.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0083 UEB Authorizing the Utilities Engineering Bureau to request qualification statements, interview, select and recommend a qualified archaeological consultant firm to provide services for the H793.3 Hetch Hetchy Septic System Rehabilitation Project at Early Intake.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

RESOLUTION
NO

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

92-0084 UEB Authorizing the Manager of Utilities Engineering Bureau to negotiate and enter into a contract with Gannett-Fleming, Inc. to provide specialized engineering services for federally funded projects in a contract amount not-to-exceed \$150,000 for a term not-to-exceed 24 months; and with Sverdrup Corporation to provide specialized engineering services for City funded projects in a contract amount not-to-exceed \$200,000 and for a term not-to-exceed 24 months.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
 Hardeman

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Approval of Minutes

Commissioner Makras requested that the minutes of the February 25th meeting be amended to reflect his comments regarding the issue of Hetch Hetchy Filtration. He stated that the City had received a letter of censure which outlined substantial penalties if we do not comply with the State law. He requested that the Water Department provide the Commission with documentation on this issue which would include the department's business plan and what they have been doing for the past five or six years.

Report of the General Manager

Joint Powers Board

Mr. Thomas J. Elzey, General Manager of Public Utilities, stated that the Joint Powers Board (JPB) had determined that additional funds may be needed in FY 1991-92 and FY 1992-93 to supplement the operations of the peninsula commute service, which is under the jurisdiction of the JPB. He stated that the exact dollar amounts had not been determined but that they range from approximately \$250,000 for FY 1991-92 to \$750,000 for FY 1992-93. Funding for this service previously had been budgeted out of the Muni budget. Mr. Elzey said that staff is currently engaging in discussions with the Mayor's Office as to whether or not those additional funds would be paid out of the City's General Fund as opposed to reducing Muni's budget. He stated that staff would report back to the Commission on the specifics within the next month or so.

Privatization of the Municipal Railway

Mr. Elzey informed the Commission that several unsolicited proposals from the California Bus Association regarding the privatization of the Municipal Railway were submitted proposing ways in which they could save the Municipal Railway money. Mr. Elzey said that he had communicated to the California Bus Association the Public Utilities Commission's interest in exploring all proposals, which could result in saving money for the City. He stated that he was reviewing the issue of privatization very seriously since this could affect both the operations of Muni and current agreements with the unions.

Announcement

President Chin announced that the Commission met in Executive Session on March 10, 1992 and approved settlement of Verna P. Greeley v. CCSF.

Resolution No. 92-0077 -- Directing the San Francisco Water Department to collect payment for excess use charges computed on water consumption by City Non-paying Municipal Accounts, effective with meter reads which occur on or after July 1, 1992; and directing the San Francisco Water Department to report to the Commission on or before February 3, 1993, regarding the feasibility of collecting payment on all water charges billed to Non-paying Municipal Accounts, effective with meter reads which occur on or after July 1, 1993.

Mr. John P. Mullane, General Manager, Water Department, noted that during the budget review last month, the Commission unanimously voted that the Water Department pursue collecting excess use charges in FY 1992-93 from City departments that are exempt from payment of water charges. Mr. Mullane stated that approval of this resolution would authorize staff to collect excess use charges from City departments with the concept of coming back to the Commission in FY 1992-93 to discuss the feasibility of collecting all water charges.

Commissioner Makras referred to the draft notification letter and stated that the letter should be modified to reflect a positive tone. He suggested that the letter to City departments mention that the department would still receive their regular allotment without charge but in all fairness to the public should be charged for excess use.

On motion of Commissioner Jefferson, seconded by Commissioner Makras, Resolution No. 92-0077 was approved.

Resolution No. 92-0078 -- Authorizing the General Manager of the Water Department to negotiate and execute a professional services agreement with Westin Engineering, Inc. for an amount not-to-exceed \$750,000 for the preparation of a Master Plan for the Development of a Total Utility (SCADA) System.

Mr. Mullane explained that the SCADA system was a computerized control program that would allow the Water Department to monitor the performance of its entire system to identify various problems, to analyze and suggest corrective actions, to operate the system automatically, and to provide the capability to capture data about the system. He explained the review process and stated that the selection committee had selected Westin Engineering Company as the top organization to prepare such a Master Plan.

Commissioner Jefferson asked if the necessary training of personnel was incorporated in the Master Plan and what the time frame was for completing the project.

Mr. Mullane replied that the preparation of the Master Plan is the first phase of a multi-phased program but that an actual training program had not been designed as of yet. He did say that an emergency response plan is a major component of the Master Plan, which would require extensive training providing the circumstances around an emergency situation. Mr. Mullane assured the Commission that a training program would be part of the total package and stated that the program would have no value unless it could be accessible and understandable to those who will use it. Mr. Mullane also said the time frame for completing this project would be approximately 3 to 4 years, which would include the training of personnel.

On motion of Commissioner Hardeman, seconded by Commissioner Jefferson, Resolution No. 92-0078 was approved.

Resolution No. 92-0082 -- Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for San Francisco Water Department Contract No. WD-2115, San Andreas Pipeline No. 3 - Rehabilitation.

Mr. Richard E. Brandt, Manager, Utilities Engineering Bureau, stated that about a year and a half ago the San Andreas Pipeline had a break which resulted in an investigation and on-going litigation.

Commissioner Makras inquired as to the rationale with respect to the liquidated damages of \$500 a day. Mr. Brandt replied that liquidated damages were based upon what could be justified as a damage. He said that since the Water Department was not a profit corporation, only the department's additional costs could be justified as damages.

Commissioner Makras stated that he would like the Commission to explore a more realistic penalty. He said we may not be able to assess damage in a dollar amount because we are not private enterprise but we are serving millions of people with a product and when our efficiency breaks down in several areas the cost could be compounded. Commissioner Makras suggested that in future bid proposals that staff look at various options which would be economically disadvantageous to the contractor if he did not meet the completion schedule.

Commissioner Jefferson pointed out that the Charter says we have to select the lowest responsive bidder. He suggested that staff explore not only whether or not the contractor is the lowest responsive bidder but if there is a way to factor in their qualifications and on time performance.

On motion of Commissioner Makras, seconded by Commissioner Jefferson, Resolution No. 92-0082 was approved.

Resolution No. 92-0084 -- Authorizing the Manager of Utilities Engineering Bureau to negotiate and enter into a contract with Gannett-Fleming, Inc. to provide specialized engineering services for federally funded projects in a contract amount not-to-exceed \$150,000 for a term not-to-exceed 24 months; and with Sverdrup Corporation to provide specialized engineering services for City funded projects in a contract amount not-to-exceed \$200,000 and for a term not-to-exceed 24 months.

Mr. Phil de la Cruz, Division Manager, Administrative Services, Utilities Engineering Bureau, stated that the contract for specialized engineering services was divided into two contracts, one for \$150,000 for federally funded projects to Gannett-Fleming, Inc., and \$200,000 for City funded projects to Sverdrup Corporation.

President Chin asked if it was generally staff's direction to split up contracts federally and locally for MBE/WBE purposes.

Mr. Arnold Baker, Contract Compliance Officer, Public Utilities Commission, stated that this was the first time that an as-needed contract had been split up into two contracts, since there was a separation of funds federally and locally. Mr. Baker said that the PUC encourages its departments to reduce contracts to their lowest possible economic division whenever possible so that we could invite more participation by minorities and disadvantaged businesses.

Commissioner Jefferson asked what the level of minority participation was in this contract. Mr. Baker replied that on the federally funded side there was 35% disadvantaged business enterprise participation. He noted that the local ordinance sets no goals for minority participation on the local side. But, he said, staff expects to achieve 35% MBE/WBE participation.

On motion of Commissioner Jefferson, seconded by Commissioner Carson, Resolution No. 92-0084 was approved.

Public Comments

Mr. Michael Cook, representing Automotive Machinist Union, Local 1305, noted that the sixty days review process for Transportation Displays, Inc. (TDI) to submit a substitute subcontracting firm was due. He stated that he would hope this could be resolved as quickly as possible. Mr. Cook also expressed his concern that the total PCC Streetcar Restoration project should not be contracted out.

Mr. J. B. Martin, representing Automotive Machinist Union, Local 1305, asked that the Commission reconsider offering lifetime Muni Employee Passes to retiring Commissioners of the Public Utilities Commission.

Mr. Chris Pagne was of the opinion that the PCC Streetcar Restoration project should not be awarded to PGH Wong Engineering because of their use of dangerous solvents in cleaning the motors.

THEREUPON THE MEETING WAS ADJOURNED: 3:13 P.M.

Romaine A. Boldridge
Secretary

92

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

March 24, 1992

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PUBLIC LIBRARY

COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and
Construction Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order 2:46 P.M.

Present: President Gordon Chin, Vice President Victor G. Makras,
Commissioner James D. Jefferson, Commissioner Patricia A.
Carson, Commissioner Michael E. Hardeman

On motion of Commissioner Hardeman, seconded by Commissioner Makras,
the Minutes of the regular meeting of March 10, 1992 were approved.

A tape of the meeting is on file in the office of the Secretary of
the Public Utilities Commission.

RESOLUTION

NO

On motion of Makras, seconded by Jefferson, the
following resolution was adopted in Executive
Session:

92-0085 MR Approving settlement of litigation titled Phyllis
Brown v. CCSF, et al., Superior Court No. 907-136.

VOTE: Ayes - Chin, Makras, Jefferson, Hardeman
Noes - Carson

On motion of Makras, seconded by Hardeman, the
following resolution was adopted in Executive
Session:

92-0086 MR Approving settlement of litigation titled Jennie J.
Smith v. CCSF, et al., Superior Court No. 934-961.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

On motion of Hardeman, seconded by Jefferson, the
following resolution was adopted in Executive
Session:

92-0087 MR Approving settlement of litigation titled Andrew
Mitchell v. CCSF, et al., Superior Court No. 934-961.

VOTE: Ayes - Chin, Jefferson, Carson, Hardeman
Noes - Makras

On motion of Hardeman, seconded by Carson, the
following resolution was adopted:

92-0088 MR Requesting the Controller to draw warrants in
payment of claims against the San Francisco
Municipal Railway, totalling \$93,000.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

RESOLUTION
NO

On motion of Hardeman, seconded by Carson, the following resolution was adopted:

92-0089 FM Approving collection of charges for damages for the month of January 1992, against the San Francisco Municipal Railway from miscellaneous debtors in the amount of \$23,884.82 and write-off compromise reductions for comparative negligence in the amount of \$746.69; San Francisco Water Department from miscellaneous debtors in the amount of \$274.90; and Bureau of Light, Heat & Power from miscellaneous debtors in the amount of \$3,729.95.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Carson, the following resolution was adopted:

92-0090 FM Approving collection of charges for damages for the month of February 1992, against the San Francisco Municipal Railway from miscellaneous debtors in the amount of \$15,044.48 and write-off compromise reductions for comparative negligence in the amount of \$716.48; San Francisco Water Department from miscellaneous debtors in the amount of \$3,587.86; and Bureau of Light, Heat & Power from miscellaneous debtors in the amount of \$138.84.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Carson, the following resolution was adopted:

92-0091 WD Approving Contract Modification No. 1 in the amount of \$1,036,194.37 to San Francisco Water Department Contract No. WD-2037R, Calaveras Pipeline Replacement.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Makras, the following resolution was adopted:

92-0092 WD Awarding San Francisco Water Department Contract No. WD-2093, 6-Inch Ductile Iron Main Installation in Perry, Stillman, Freelon, Welsh, Zoe and Ritch Streets, in the net amount of \$299,710 to P & M Pipelines and Coast-Geo Constructors, Inc., AJV, San Francisco, CA.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

- On motion of Hardeman, seconded by Carson, the following resolution was adopted:
- 92-0093 WD Designating Tuesday, April 14, 1992 at 2:00 p.m., in Room 282, City Hall, San Francisco, as the date, time and place for a public hearing by the Public Utilities Commission for considering a proposal for the continuation of some level of rationing to maintain water savings throughout the San Francisco Water Department's system; and considering adoption of a per capita rationing program for San Francisco residents.
- VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman
- On motion of Hardeman, seconded by Carson, the following resolution was adopted:
- 92-0094 PM Approving the Non-Civil Service and Temporary appointments and removals as indicated on the Temporary Employment Activity Roster, for the months of January and February, 1992.
- VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman
- On motion of Jefferson, seconded by Carson, the following resolution was adopted:
- 92-0095 GM Approving Bardel, Inc. as substitute subcontractor to Transportation Displays, Inc. (TDI) for carding and posting activities on Municipal Railway vehicles.
- VOTE: Ayes - Chin, Makras, Jefferson, Carson, Abstain - Hardeman
- On motion of Makras, seconded by Hardeman, the following resolution was adopted:
- 92-0096 HH Commending Joe DeGraca on the occasion of his retirement for 30 years of dedicated service to the City and County of San Francisco and extending best wishes to him for many years to come.
- VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman
- On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:
- 92-0097 MR Authorizing the San Francisco Municipal Railway to extend the time of award for the Procurement and Installation of the Advanced Train Control System (MR-1034R) to 120 days after receipt of bid and to enter into negotiations with Alcatel Canada, Inc.; and requesting Board of Supervisors' approval.
- VOTE: Ayes - Chin, Jefferson, Carson, Hardeman
 Noes - Makras

RESOLUTION
NO

On motion of Makras, seconded by Carson, the following resolution was adopted:

92-0098 FM Commending Bruce Bernhard for 11 years of dedicated service to the City and County of San Francisco and extending best wishes to him and his family for many years to come.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

On motion of Makras, seconded by Hardeman, the following resolution was adopted:

92-0099 UEB Commending Ronald E. Ciraulo on the occasion of his retirement for 33 years of dedicated service to the City and County of San Francisco and extending best wishes to him and his family for many years to come.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Announcement

President Chin announced that the Commission met in Executive Session on March 24, 1992 and approved settlement of Phyllis Brown v. CCSF, Superior Court No. 907-136; Jennie J. Smith v. CCSF, Superior Court No. 934-961; and Andrew Mitchell v. CCSF, Superior Court No. 934-961.

Resolution No. 92-0095 -- Approving Bardel, Inc. as substitute subcontractor to Transportation Displays, Inc. (TDI) for carding and posting activities on Municipal Railway vehicles.

Mr. Thomas J. Elzey, General Manager of Public Utilities, requested approval that Bardel, Inc. be accepted as substitute subcontractor to TDI for carding and posting advertising on the Municipal Railway. He explained that on December 10, 1991, TDI came before the Commission asking for substitution of their DBE subcontractor due to the poor performance of their current subcontractor at that time, which was Carders and Posters, Inc. Mr. Elzey stated that Bardel, Inc., as a new start-up business, submitted information for certification that was originally denied by the Contract Compliance Office. Bardel, Inc. appealed that decision. He stated that after reviewing Bardel, Inc.'s appeal, PUC granted Bardel, Inc. a provisional one-year certification, which would allow Bardel, Inc. to be substituted as subcontractor at any time. Quarterly reports from Bardel, Inc. would be submitted to the Contract Compliance Office to evaluate and insure that the provisional certification is adhered to.

Mr. Dan Valiao, President, Acres Consultating Engineers, spoke on behalf of the Filipino Architects, Contractors and Engineers (FACE). He urged the Commission to recommend to TDI that they use the PUC and the Human Rights Commission roster of available MBE/WBE's already certified to do this work and give a chance to local firms who are certified and who have experience and expertise to do this kind of work.

Mr. Greg Roja, President, Filipino Architects, Contractors and Engineers, concurred with Mr. Dan Valiao's comments. He referred to the Municipal Railway's Transit Advertising Agreement dated January 25, 1991 and pointed out a number of factors pertaining to whether a firm is a bonified DBE. He stated that one of the members of FACE is a bonified DBE and should be considered for this contract.

Commissioner Makras asked whether TDI submitted other eligible names for consideration other than Bardel, Inc. Mr. Elzey replied that TDI only submitted Bardel, Inc. as their substitute subcontractor. He said that TDI communicated that they were not aware of any other firms that were available to do carding and posting services.

Mr. Arnold Baker, Contract Compliance Officer, Public Utilities Commission, noted that the provisional certification process had never been used before, therefore, it would be necessary for the PUC to set up regulations in order to monitor the provisional certification on a quarterly basis. He said that all information received from Bardel, Inc. would be independently verified by staff.

Commissioner Chin asked what the difference was between the contractor bringing in as part of their team a subcontractor and the substitution of a subcontractor. Mr. Baker responded that when a Request-for-Proposals (RFP) is issued, the requirements for DBE participation are part of that RFP which must be addressed by the contractor. TDI designated Carders and Posters, Inc. as their DBE participant for carding and posting. He stated that if TDI wished to substitute their subcontractor, then they must seek the permission of the Commission. Also, he said that TDI must substitute a DBE subcontractor with another DBE subcontractor. Mr. Baker pointed out that while the PUC would be making the substitution, the Commission action would be in response to a request for substitution from TDI.

Commissioner Jefferson stated that it seemed the only issue before the Commission was not who the substitute subcontractor was but whether or not the firm being proposed for substitution is a bonified DBE subcontracting firm.

Commissioner Makras moved that the resolution be amended to delete the fourth paragraph which states that other viable alternative DBE's be submitted to the PUC for review. Commissioner Jefferson seconded.

Commissioner Hardeman requested that he be allowed to abstain from voting on this item due to a conflict of interest. He said that he was advised by the City Attorney's Office to abstain from voting on this item because of his affiliation with the Sign Display & Allied Crafts Union, Local 510, who represents the employees that work for Bardel, Inc. Commissioner Jefferson moved to excuse Commissioner Hardeman from voting on this item. Commissioner Makras seconded. The motion was unanimously approved.

On motion of Commissioner Jefferson, seconded by Commissioner Carson, Resolution No. 92-0095 was approved, as amended.

Resolution No. 92-0097 -- Authorizing the San Francisco Municipal Railway to extend the time of award for the Procurement and Installation of the Advanced Train Control System (MR-1034R) to 120 days after receipt of bid and to enter into negotiations with Alcatel Canada, Inc.; and requesting Board of Supervisors' approval.

Mr. Thomas Sullivan, Chief Signal Engineer, Municipal Railway, stated that on February 24, 1992 proposals were received from two suppliers for the Procurement and Installation of the Advanced Train Control System. He said that a committee was formed to review the technical proposals for conformance with minimum requirements set by the Municipal Railway. The committee determined unanimously that Alcatel Canada, Inc. was the single qualified bidder for the project.

Mr. Sullivan requested that an extension of time be approved to negotiate and identify additional funding sources because the price was greater than anticipated. Also, because this is a single qualified bid, the Federal Transportation Administration (FTA) has in place a set of rules and guidelines that must be followed in order to make sure that this is a fair price.

Commissioner Makras asked why AEG Westinghouse did not qualify. Mr. Sullivan replied that the principal area in which AEG Westinghouse did not qualify was due to their inability to guarantee that there would not be any disruption in revenue operation. Also, he listed other areas in which they did not meet the minimum requirements set by the Municipal Railway.

Commissioner Makras expressed concern over the fact that there was only one bidder that qualified for the project and that the price of the project was 30% over what was originally anticipated. Mr. Elzey pointed out that approval of an extension of time would allow time to verify whether or not staff's estimates were correct and follow the procedures established by the FTA to insure that the cost is appropriate.

Commissioner Jefferson asked what the legal prohibition was against opening the price proposals. Ms. Robin Reitzes, Deputy City Attorney, City Attorney's Office, replied that only qualified bidders would get their price bid opened. She said it was the prerogative of the Municipal Railway to determine what constitutes a qualified bidder. Ms. Reitzes described how this contract was different than other contracts in that it involved a two-step process. The first step required that the proposals be pre-qualified and the proposals that were determined qualified to participate would have their price bids opened and the low bid would win. Second, there were 19 minimum requirements set by the Municipal Railway and in order to be qualified each bidder had to comply with every single one of the minimum requirements. Ms. Reitzes stated that these requirements were developed during the first bid process and were reaffirmed when the job went out to bid for the second time.

Commissioner Makras was of the opinion that this type of progressive bidding excludes potential bidders from bidding and stated that the theory of the bidding process is to negotiate with as many people as possible and create the competition necessary in order to achieve the best price and the best product. Commissioner Makras remarked that he was troubled with the progressive bid opening of this contract, therefore, would not vote for the extension of time. He said that rather than requesting an extension of time, that staff review different options of rebidding the contract.

On motion of Commissioner Hardeman, seconded by Commissioner Jefferson, Resolution No. 92-0097 was approved. Commissioner Makras voted against the motion.

Public Comments

Mr. David Pilpel expressed his concerns regarding the Potrero Facility Rehabilitation project related to storage of Muni vehicles during the on-going construction of the facility. He suggested that that the 17th and Folsom Streets parking lot be utilized as a temporary satellite facility to alleviate some of the overcrowding conditions at the Potrero Facility during construction. Also, he commented on the importance of filling the 9148 Community Affairs position at the Municipal Railway.

THEREUPON THE MEETING WAS ADJOURNED: 4:10 P.M.

Romaine A. Boldridge
Secretary

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

April 14, 1992

COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and
Construction Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

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APR 24 1992

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- On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:
- 92-0108 EC Requesting the Board of Supervisors to authorize the Bureau of Energy Conservation to apply for and accept free engineering and technical support services from the Energy Partnership Program of the California Energy Commission to conduct analysis on energy conservation projects in municipal facilities.
- VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman
- On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:
- 92-0109 WD Designating Tuesday, May 26, 1992 at 4:00 p.m., in Room 282, City Hall, San Francisco, CA, and Thursday, May 28, 1992 at 7:00 p.m., at the Southeast Community Facility, 1800 Oakdale Avenue, Community Meeting Room, San Francisco, CA, as the date, time and place for public hearings by the Public Utilities Commission for considering amendments to the Municipal Railway Fare Schedule.
- VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman
- On motion of Jefferson, seconded by Makras, the following resolution was adopted:
- 92-0110 GM Commending Albina Arietta on the occasion of her retirement for over 21 years of dedicated service to the City and County of San Francisco and extending best wishes to her and her family for many years to come.
- VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman
- On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:
- 92-0111 WD Authorizing the General Manager of the Water Department to request proposals, select and recommend a suitable consulting firm to provide the required services for the Environmental Impact Report related to the Hetch Hetchy Water Treatment Plant project.
- VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

RESOLUTION
NO _____

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0112	WD	Authorizing the General Manager of the Water Department to negotiate and execute a 12-month Modification to the Memorandum-of-Understanding with the San Francisco Unified School District and the Public Utilities Commission Bureau of Energy Conservation for an amount not-to-exceed \$45,000.
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VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

On motion of Makras, seconded by Hardeman, the following resolution was adopted:

92-0113 WD Authorizing the General Manager of the Water Department to negotiate and execute the final 12 months of the Agreement with Information and Support Services for an amount not-to-exceed \$197,346 of which \$185,346 shall be provided by the Water Department for provision of the continued development of a system-wide education package for grades K-12.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

On motion of Makras, seconded by Hardeman, the following resolution was adopted:

92-0114 MR Accepting the work performed under Municipal Railway Contract No. MR-1009R, Metro Subway System, Wet Standpipe System Repair and Certification; approving Debit Modification No. 3 in the amount of \$5,005.34; approving an extension of time of 345 days; and authorizing final payment in the amount of \$10,589.59 to Transbay Fire Protection, Contractor.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

On motion of Makras, seconded by Jefferson, the following resolution was adopted:

92-0115	MR	Reallocating up to \$150,000 from surplus funds available in the Municipal Railway's budget for the Bureau of Light, Heat & Power to Contractual Services to maintain the existing level of security services at the Municipal Railway's facilities.
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VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

On motion of Makras, seconded by Carson, the following resolution was adopted:

92-0116 UEB Commending Mitsu Naito on the occasion of his retirement for 34 years of dedicated service to the City and County of San Francisco and extending best wishes to him and his family for many years to come.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

92-0117 UEB Commending Lonnie Lawson on the occasion of his retirement for 29 years of dedicated service to the City and County of San Francisco and extending best wishes to him and his family for many years to come.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0118 UEB Authorizing the Utilities Engineering Bureau to request proposals, select and recommend a suitable consulting engineering firm to provide the required services for the future Hetch Hetchy Water Treatment Plant.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Makras, the following resolution was adopted:

92-0119 UEB Approving modification to Municipal Railway Contract No. MR-881, No. 31 Balboa Electrification, in the amount of \$194,958 to purchase special catenary equipment for the Muni Metro Turnaround project with Contractor, Abbett-Yick, AJV.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0120 FM Adopting the 1992 Transit Legislative Program recommended by the General Manager of Public Utilities and directing the PUC staff and the City's advocates in Sacramento and Washington, D.C. to work towards implementing the program.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

RESOLUTION
NO

On motion of Makras, seconded by Hardeman, the following resolution was adopted:

92-0121 FM Authorizing the Assistant General Manager of Finance to apply for, accept and expend \$43,662,589 from the San Francisco County Transportation Authority as part of the local match and seed money for various projects in the Municipal Railway's Capital Improvement Program and operations for 1992-93.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

New Business

President Chin requested that the Commission be updated on the City's MBE/WBE ordinance through an informational presentation from the Human Rights Commission within the next two months.

Report of the General Manager

Swipe Reader Demonstration

Mr. Thomas J. Elzey, General Manager of Public Utilities, stated that staff was studying the use of swipe readers on Muni vehicles to both register the fares of passengers who use Fast Passes and verify whether the Fast Passes were counterfeit or not. Ms. Michelle N. Witt, Finance Director, Bureau of Finance, said that swipe readers have the capability of accumulating ridership information which is required under federal regulations. Mr. William Hooper, Vice President, Marketing and Contracts, Cubic Corporation gave a demonstration on how the swipe readers operate. He stated that the swipe readers have the capability of handling five different types of passes which could be recorded individually by type in the machine. He noted that the swipe reader machine is designed to read whether or not the various passes are counterfeit. Mr. Hooper said the machine would be able to use the current Muni Fast Pass, which has a magnetic strip, plus coins and bills.

Commissioner Carson asked what the cost and life expectancy of the swipe readers were per bus. Mr. Hooper replied the cost was \$680 per bus with a life expectancy exceeding 10 years.

1992/93 Budget

Mr. Elzey stated that consistent with the Mayor's request that there be a 10% reduction in Muni's 1992/93 budget, the Commission last month passed the proposed 1992/93 budget which included approximately \$11.3 million in reductions which were achieved by Proposition A (early retirement) staff reductions, administrative efficiencies and a proposed fare increase. Since that time, a joint report was issued by the Controller, the Budget Analyst and the Mayor's Office which suggested that the 1992/93 budget deficit will be approximately \$148 million. Staff received an indication from the Mayor's Office that Muni would have to review its budget again to address the possibility of coming up with additional adjustments in its budget. Mr. Elzey remarked that staff have already had the opportunity to discuss with the Mayor's Office preliminary budget adjustments within Muni's budget either in the fare structure and/or other areas. Mr. Elzey stated that staff would be engaging in further discussions with the Mayor's Office and that he would come back to the Commission at the next meeting with more specific information regarding what the additional reductions to Muni's budget would be and what impact they would have on Muni's operations and fare structure.

Commissioner Makras asked what type of reduction, in addition to the 10% reduction already made, is the Mayor requesting. Mr. Elzey responded that it had been suggested that Muni would have to reduce their budget by an additional \$20 million, which is approximately another 20% reduction.

Commissioner Jefferson asked what our legal position was with respect to the impact this additional 20% reduction would have on Memorandums of Understanding (MOU) with the unions. Mr. George Krueger, Utilities General Counsel, replied that the MOU's are contracts which could be reopened for negotiation but said that would not prevent the Commission from doing what was necessary to balance the budget, proposing cuts in service, or implementing a fare increase.

Mr. David Pilpel was of the opinion that this additional reduction to Muni's budget is far in excess of what Muni should have to take and such a proposal should be rejected.

Ms. Linda Jofuku, representing Professional and Technical Engineers, Local 21, requested that management meet and confer on any proposals for furloughs of non-operating staff and proposed layoffs of Local 21 and Local 790 employees.

Muni's Incentive Programs

Mr. Elzey said that staff has been reviewing potential passenger incentive programs which could improve ridership and the public image of Muni. He said that staff is reviewing an idea that has been implemented by the Southern California Rapid Transit District whereby passengers would be able to receive a refund on their fares if a vehicle did not meet their schedule. In addition, staff is studying preliminary data in relation to free ridership zones within Muni. Mr. Elzey stated that staff would report back to the Commission at the next meeting with a proposal concerning potential incentive programs for Muni.

Mayor's Fiscal Advisory Committee Report

Mr. Elzey stated that the Mayor was presented with a preliminary report from the Fiscal Advisory Committee which is made up of private sector individuals. That report reviewed policy options such as methods to increase revenues, improve efficiency and proposals for cost containment on the Municipal Railway. He said that staff is reviewing the various policy options presented by the Fiscal Advisory Committee.

Proposition A

Mr. Elzey reported that approximately 1,359 retirees have left the City as a result of Proposition A (early retirement) and that number continues to change on a daily basis. Mr. Elzey said out of that number approximately 233 employees retired from the Muni, 30 retired from the Water Department, 21 retired from Hetch Hetchy and 41 retired from the PUC Bureaus. He stated that the Water Department and Hetch Hetchy were exempted from having any of their positions left vacant and that they are currently in the process of backfilling those positions. With regard to Muni, 108 positions had been authorized to be backfilled, 70 of which are operators. He noted that there continues to be more operator positions that are vacant which require authorization for backfilling. It is uncertain at this point whether or not authorization would be granted to backfill all of the Muni operator positions. Mr. Elzey stated that he will keep the Commission informed on the status of those positions.

Commissioner Makras asked why the number of retirees would change if there was a cut off date to retire. Ms. Andrea Gourdine, Manager, Personnel and Training, replied that the Retirement System had notified employees who retired earlier in FY 1991-92 that they could come back into the system and pay back any retirement payments given to them, thereby benefiting from Proposition A (early retirement).

Water Rates for 1992-93

Mr. Anson B. Moran, General Manager, Hetch Hetchy Water & Power, gave a brief presentation on the current water supply situation stating that year to date precipitation is about 66% of normal, storage is about 60% of normal and snow pack is about 60% of normal. Mr. Moran noted that the present water supply is very similar to that of last year's water supply, concluding that rationing should continue at the 25% level.

Mr. John P. Mullane, General Manager, Water Department, recommended that the current mandatory 25% rationing program be continued with the same water use restrictions, the same excess use charges and the same level of mandatory conservation inspections that are currently underway for San Francisco residents. Mr. Mullane stated that the suburban resale customers would be allocated the same amount of water as last year. He pointed out that the rationing program in the suburbs has been so successful over the last two years that the water that has been banked is substantial and could have a significant impact on the total water supply situation. Mr. Mullane stated that staff was discussing that situation with the Bay Area Water Users Association (BAWUA) hopefully with the intent of limiting the bank and possibly even reducing it.

Mr. Mullane pointed out that last year the Commission expressed concerns about the equity of the rationing program as it related to San Francisco residents only and felt that adoption of a per capita program would be more equitable. At that time it was recommended that the department do a census of the residents of San Francisco and that no action for adoption take place until April of this year. Mr. Mullane stated that the data collected from the census had been completed resulting in total residential occupancy of approximately 828,000 people in San Francisco, which exceeded the 1990 U.S. Census which states there are 724,000 residents in San Francisco. Mr. Mullane briefly discussed the various per capita alternatives and stated that a more detailed presentation regarding the issue of per capita rationing will be discussed at the April 28, 1992 meeting.

Ms. Christine Morioka, Rate Administrator, Water Department, stated that 90% of revenues received from water rates pays for the department's expenditures. Ms. Morioka said that water revenues are collected from two classes of customers, wholesale and retail. Wholesale customers involve 30 customers throughout the peninsula and east bay and the retail customers are predominantly in San Francisco. She explained briefly how the rates are set with wholesale and retail customers. The calculations that determine those rates go through a cost of service methodology for setting the suburban rates and determining how much they owe us. Then, the balance needed to pay the department's expenses determines what the City rates will be.

Clean Water Initiative

Mr. Elzey stated the clean water initiative is currently in the form of legislation before the Board of Supervisors for the possible use of reclaimed water. He requested that the Commission endorse the legislation on the clean water initiative.

Mr. Todd Cockburn, City Engineer, said that they have been working closely with PUC on wastewater reclamation within the City and wastewater reclamation in the form of an export program with other wastewater dischargers in the Bay Area. To reclaim wastewater in the Bay Area transport it to the San Joaquin Valley or to the Delta for various purposes would require a Joint Powers Agreement between San Francisco and other wastewater discharge agencies. This agreement would involve the Public Utilities Commission, Department of Public Works and all the other agencies. With the use of charts, he described the collection system and all the agencies that would be involved in this project. Approximately 400,000 acre feet of wastewater could be collected per year from the Bay Area and transported to the San Joaquin Valley. Mr. Cockburn stated before this legislation could go further, a Joint Powers Agreement would need to be formed because San Francisco could not carry such a project on its own. Mr. Elzey stated the issue before the Commission is not the Joint Powers Agreement but the actual legislation that has been presented to the Board of Supervisors that simply requests that the City Engineer and the PUC present a progress report regarding negotiation of an agreement and the progress of a study about the feasibility of carrying out such a project. Mr. Elzey recommended that the Commission endorse the legislation that is currently before the Board of Supervisors. Commissioner Hardeman moved to endorse the clean water initiative legislation. Commissioner Jefferson seconded.

Tuntex Corporation

Commissioner Jefferson noted that Tuntex Corporation was a client of his and stated for the record that he would refrain from participating in Commission discussion concerning this item.

Mr. Elzey stated that he had a meeting with Tuntex Corporation to present future Muni services and rail expansion projects. Because of certain developments sponsored by Tuntex Corporation, they were very supportive of any future rail expansion activities in connection with the Third Street Corridor. Mr. Elzey said that staff discussed the possibility of initiating some type of partnership which could be potentially beneficial to the City and the Municipal Railway.

Joint Powers Board

Mr. Elzey discussed the 1992-93 budget for the peninsula commute service and said that San Francisco's share of the subsidy was \$1.5 million. After staff negotiated with the Joint Powers Board (JPB), they agreed to increase funding from Caltrans, lower administrative costs and increase revenues, which brought our budget down to \$1.299 million. It was made very clear to the JPB that San Francisco was not in a position to have any additional increases in its budget. Mr. Elzey stated that Supervisor Hsieh, who is the Board of Supervisors' representative on the JPB, was going to take the initiative with the Board of Supervisors to add the additional amount of \$350,000 as opposed to it coming out of Muni's budget.

Resolution No. 92-0111 -- Authorizing the General Manager of the Water Department to request proposals, select and recommend a suitable consulting firm to provide the required services for the Environmental Impact Report related to the Hetch Hetchy Water Treatment Plant project.

Resolution No. 92-0118 -- Authorizing the Utilities Engineering Bureau to request proposals, select and recommend a suitable consulting engineering firm to provide the required services for the future Hetch Hetchy Water Treatment Plant.

Mr. Steve Leonard, Project Manager, Water Department, requested that the Commission approve request for proposals for work related to the Hetch Hetchy Water Treatment Plant project.

Commissioner Makras asked how these items relate to the Hetch Hetchy filtration of water. Mr. Leonard replied that there are certain steps or milestones that must be met in order to be in compliance with the State to filter Hetch Hetchy water. Currently, a siting study is underway, which is the beginning of the environmental and conceptual engineering process. Both of these items will firm up the environmental and engineering issues, costs surrounding the project and are the basis for going to detailed design. They will be the support for a ballot measure to fund the entire project. Mr. Elzey pointed out that the Water Department budgeted \$8 million for these projects in their 1992-93 Budget.

Commissioner Jefferson inquired if the engineering services were for the actual design of the filtration plant. Mr. Leonard responded that it is to develop a concept of a plant and plant system with preliminary drawings so that detailed design could proceed from that point. Commissioner Jefferson also asked questions surrounding what procedures would take place in selecting a firm to perform such work. Mr. Leonard replied that the department would advertise, have a selection committee that is approved by Contract Compliance, take in proposals, interview, and come back to the Commission with a recommended contractor for approval. Mr. Leonard stated that in addition to advertising in the local newspaper, there is a list of contractors that are routinely sent request-for-proposals through the Contract Compliance Office.

On motion of Commissioner Hardeman, seconded by Commissioner Jefferson, Resolution Nos. 92-0111 and 92-0118 were approved.

Item No. 13 -- Authorizing the General Manager of the Water Department to negotiate and execute a professional services agreement with EDAW, Inc. at a cost not-to-exceed \$330,000 for the development of comprehensive watershed management policy and plans.

Item No. 14 -- Authorizing the General Manager of the Water Department to negotiate and execute a professional services agreement with Bookman-Edmonston at a cost not-to-exceed \$250,000 for the Water Resources Study of the Alameda Creek Watershed.

Mr. Robert Vasconcellos, Manager, Water Department, explained that San Francisco has approximately 63,000 acres of watershed land which does not have general access to the public. The purpose of the watershed land is to produce water of the highest quality. In recent years, there has been public and political pressure to open up these watershed lands primarily for recreational purposes. Mr. Vasconcellos said that the overall goal of the planning studies is to develop policies that will guide the department in managing these land and water resources in future years and to balance the water supply and water quality needs, environmental concerns, revenue generation functions and recreational proposals.

Commissioner Makras raised issues around the amount of money needed for these studies, the purpose of these studies and why these studies were needed. Mr. Vasconcellos replied that the primary purpose of these studies would be to give the department final overall policies on how to use the land. They would involve doing a preliminary environmental assessment of the watershed area in order to protect San Francisco's interests in these land and water resources. Mr. Elzey stated that these studies would give the department a backdrop against which the department could assess and evaluate the various proposals that are coming forth as developments and communities in those areas are steadily increasing.

Commissioner Makras remarked that he was not prepared to vote for \$2 million worth of studies to determine whether or not the watershed land could be used for other purposes other than watershed. He stated that all options should be looked at in terms of what cannot be done with the watershed land. Commissioner Jefferson suggested that these items be held over to the next meeting to give the Commission more time to review just what is involved in these studies.

Item No. 17 -- Presentation on segments of the Municipal Railway's 1992-2001 Short Range Transit Plan.

Mr. Phil Chin, Deputy General Manager, Municipal Railway, gave a presentation on the 1992-2001 Short Range Transit Plan. This plan is a mandated document that is required to be submitted by July of each year in draft form to the Metropolitan Transportation Commission (MTC) and the Federal Transit Administration (FTA) in order to meet their funding requirements. Mr. Chin said that the Short Range Transit Plan could be a tool for a living, changing, interactive and evolutionary strategic planning process that fully involves members of the public. Mr. Chin outlined the proposed schedule of the Short Range Transit Plan and said that staff would be bringing segments of the plan before the Commission every two weeks providing them the opportunity to review each of the sections of the plan and discuss any changes to the plan before it is submitted to MTC in June.

Mr. Pilpel remarked that this plan should be available to the communities for their review and input.

Mr. Mike S. Cook, representing Automotive Machinists Union, Local 1305, stated that the Short Range Transit Plan has direct and indirect impacts on members of the union. He requested that all the unions that are actively involved with the plan be provided with a summary of the plan.

Resolution No. 92-0121 -- Authorizing the Assistant General Manager of Finance to apply for, accept and expend \$43,662,589 from the San Francisco County Transportation Authority as part of the local match and seed money for various projects in the Municipal Railway's Capital Improvement Program and operations for 1992-93.

Commissioner Makras asked whether there was a potential to hire people for various projects and fund them through the Transportation Authority. Ms. Michelle N. Witt, Finance Director, Bureau of Finance, replied that the San Francisco County Transportation Authority sets the criteria for what they will fund or not fund. President Chin requested that staff prepare an analysis on what the San Francisco County Transportation Authority will fund.

On motion of Commissioner Makras, seconded by Commissioner Hardeman, Resolution Nos. 92-0121 was approved.

Public Comments

Mr. Bobby Brown, President, Transport Workers Union, Local 250A, stated that Local 250A negotiated a contract with the City. He said they could not afford to give up anything that was negotiated in good faith with the City. Commissioner Jefferson responded that neither staff or this Commission had made any reference or proposal to opening up the MOU's. The questions raised were for purposes of clarification only relative to legal issues.

THEREUPON THE MEETING WAS ADJOURNED: 5:35 P.M.

Romaine A. Boldridge
Secretary

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

April 28, 1992

COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and
Construction Management

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Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

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Romaine A. Boldridge

SECRETARY

Call to Order 2:15 P.M.

Present: Vice President Victor G. Makras, Commissioner James D. Jefferson, Commissioner Patricia A. Carson, Commissioner Michael E. Hardeman

Excused: President Gordon Chin

Commissioner Makras presided as

On motion of Commissioner Jefferson, seconded by Commissioner Hardeman, the Minutes of the regular meeting of April 14, 1992 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO

On motion of Makras, seconded by Hardeman, the following resolution was adopted:

92-0122 GM Commending Gordon Chin for his award winning efforts in finding solutions to the problem of homelessness.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Makras, seconded by Jefferson, the following resolution was adopted:

92-0123 GM Rejecting the concept of increasing the Municipal Railway fare to \$1.25, as proposed by the Mayor.

VOTE: Ayes - Makras, Jefferson, Carson
Noes - Hardeman

On motion of Makras, seconded by Jefferson, the following resolution was adopted:

92-0124 GM Endorsing the concept of a pilot passenger incentive rebate program.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0125 WD Adopting continuation of the mandatory 25% water conservation program, including the continued use of excess use charges and various water use restrictions.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

RESOLUTION
NO

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0126 WD Directing the Water Department to continue the same form of residential rationing currently in use.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

92-0127 WD Adopting a revised Schedule of Rates for San Francisco and suburban retail customers.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

92-0128 WD Adopting a revised Schedule of Rates for suburban wholesale customers.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0129 MR Requesting the Controller to draw warrants in payment of claims against the San Francisco Municipal Railway, totalling \$37,500.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0130 WD Awarding San Francisco Water Department Contract No. WD-2102, 8-Inch Ductile Iron Main Installation in Eddy Street between Divisadero and Gough Streets, in the net amount of \$352,240 to Ranger Pipelines, Inc. and A. Ruiz Construction Company, AJV, San Francisco, CA.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Makras, seconded by Hardeman, the following resolution was adopted:

92-0131 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Water Department Contract No. WD-2123, CDD Machine Shop Upgrade.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

RESOLUTION
NO

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0132 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Water Department Contract No. WD-2136, Repaving of Street and Sidewalk Openings for the San Francisco Water Department for Fiscal Year Ending June 30, 1993.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0133 WD Authorizing the General Manager of Public Utilities to advertise for proposals to rehabilitate the Moccasin sewage treatment system.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0134 MR Approving Contract Modification No. 3 in the amount of \$104,876 for San Francisco Municipal Railway Contract No. MR-869, Potrero Facility Rehabilitation to N. L. Barnes Construction, Company, Inc.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0135 PT Approving the Non-Civil Service and Temporary appointments and removals as indicated on the Temporary Employment Activity Roster, for the month of March, 1992.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0136 GM Approving contract amendment with the Planning Collaborative in the amount of \$625,058 to complete Specific Plan work for the Water Department's lands in Pleasanton.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0137 WD Authorizing the General Manager of the Water Department to negotiate and execute a professional services agreement with EDAW, Inc. at a cost not-to-exceed \$330,000 for the development of comprehensive watershed management policy and plans.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

RESOLUTION
NO

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0138 WD Authorizing the General Manager of the Water Department to negotiate and execute a professional services agreement with Bookman-Edmonston at a cost not-to-exceed \$250,000 for the Water Resources Study of the Alameda Creek Watershed.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0139 WD Authorizing the General Manager of the Water Department to negotiate and execute a professional services contract with ARCUS for an amount not-to-exceed \$50,000 to assist in developing strategic planning for computerized mapping/records operation.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0140 HH Authorizing the General Manager of Public Utilities to enter into the Sixth Amendment to the Agreement with Grueneich, Ellison and Schneider, increasing their funding by \$20,500, for a total not-to-exceed \$1,310,500 to provide legal services for the purpose of identifying additional water supplies.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

92-0141 HH Authorizing the General Manager of Hetch Hetchy Water and Power to negotiate and execute the Third Amendment to the Agreement with Bookman-Edmonston Engineering, increasing their funding by \$36,500 for FY 1991-92 for hydrologic modeling consulting services.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

92-0142 HH Authorizing the Bureau of Light, Heat & Power to execute Modification No. 3 to the Agreement with Kingston-Cresci, AJV, for maintenance and repair of City-owned street lights; increasing the limit of payment from \$1,749,153.84 to \$2,521,154.84 through June 30, 1993; and extending the contract for twelve (12) months through June 30, 1993.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

RESOLUTION
NO

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0143 UEB Awarding San Francisco Municipal Railway Contract No. MR-894, Upper Market Street Transit Thoroughfare Project Phase 3 - Duboce Avenue to Castro Street - General Construction in the amount of \$13,360,057 to Stacy and Witbeck, Inc., San Francisco, CA.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0144 EC Authorizing the Bureau of Energy Conservation to execute a professional services contract with Raymond Brooks Engineering for provision of engineering design services for upgrades to boiler plants in various city facilities on an as-needed basis.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0145 BMIS Authorizing the General Manager of Public Utilities to enter into a personal services contract extension with Carlton and Associates and E. H. White and Company for an amount not-to-exceed \$90,000 and a period of time not-to-exceed June 30, 1993 for the purpose of developing computerized maintenance systems for Hetch Hetchy and the Water Department.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

New Business

Commissioner Carson stated that she would like to waive any salaries paid to her by serving on the Public Utilities Commission. Commissioners Makras, Jefferson and Hardeman stated that they also wished to forego any salaries paid to them.

President Makras made a motion to commend Commissioner Chin for his efforts in addressing the issue of homelessness, who presently is in Washington, D.C. receiving the National Alliance Award for solutions to the problem of homelessness. Commissioner Hardeman moved and Commission Carson seconded in commending Commissioner Chin. The motion was unanimously approved.

Commissioner Jefferson requested that staff calendar at a future meeting an overview of the Hetch Hetchy Filtration Plant Project.

President Makras requested that staff provide the Commission with a list of all City automobiles that are used by City employees detailing what their job description is and whether or not the vehicles are taken home.

President Makras also requested staff to calendar for future discussion the following items: foregoing the purchase of any new automobiles in the coming fiscal year; the use of free passes for people using Muni other than City employees; a bi-weekly report on the use of overtime; and, detailed information on the terms of all leases on the Water Department's quarterly report.

Report of the General Manager

1992/93 Budget

Mr. Thomas J. Elzey, General Manager of Public Utilities, reported on the Mayor's proposed 1992-93 budget adjustments within Muni's budget. He stated that the Mayor indicated that he did not want to see any reduction in service. He proposed the following fare increases for the May 26th and May 28th public hearings: \$1.00 - tokens; \$1.25 - single fare; \$35.00 - Fast Pass; 35¢ - youth single fare; \$8.00 - youth Fast Pass; 25¢ - senior single fare; \$6.00 - senior Fast Pass; \$3.00 - adult cable car fare. The Mayor's proposed fare structure is intended to raise approximately \$15 million in revenue. He said that staff is currently reviewing optional fare structures to increase revenues by approximately \$13 - \$15 million which would be discussed with the Mayor's Office and then be presented to the Commission prior to the public hearing.

Commissioner Hardeman commented on the Mayor's position stating that the Mayor did not want to see any reduction in Muni service and that he wanted safe, on-time and graffiti-free buses.

President Makras moved and Commissioner Jefferson seconded, to reject the Mayor's proposed increase of \$1.25 and to direct that a letter be transmitted to the Mayor stating that the PUC had approved a fare increase of \$1.00 and would not consider increasing the fare to \$1.25. President Makras expressed that before considering an increase in the fare structure there were three elements that would need to be addressed, that are, cleaner buses, safer buses and on-time buses. Commissioner Carson modified the motion to include rejection of the \$3.00 cable car fare increase. Commissioner Hardeman voted against the motion. The motion carried with a 3-1 vote.

President Makras invited public comments.

Mr. Lawrence J. Martin, International Representative, Transport Workers Union, Local 250A, was of the opinion that transfers were the most abused element in the Muni fare structure. He suggested that transfers be reviewed as part of the proposed fare structure.

Mr. David Pilpel spoke against the proposed \$1.25 fare increase. He also spoke in opposition bus operators who are on special duty.

Mr. Norman Rolfe, representing San Francisco Tomorrow, suggested that staff look at ways in which more passengers could be attracted to ride Muni before increasing fares. He also spoke in opposition to increasing the cable car fare.

Mr. Elzey stated staff would include the possibility of including a charge for transfers in its proposed fare structure and that staff would report at the next Commission meeting various issues related to the use of transfers, how they are currently handled, and ways of improving the transfer system. Mr. Elzey stated that staff will continue to look at other possible ways in balancing the budget.

Transit Impact Development Fee

Mr. Elzey stated that the department intends to use a one time credit of \$2.5 million for increased capacity over the last 5 years. Ms. Michelle N. Witt, Finance Director, Bureau of Finance, gave an updated report on the Transit Impact Development Fee (TIDF). The TIDF was established by the Board of Supervisors to help Muni pay for increased ridership demand on transit service in the downtown area during peak periods. Currently, the amount collected in fee and interest earned on the fee \$90 million to date. Of that \$90 million, \$20 million remains as unappropriated for both capital and operating purposes. Approximately, \$2.5 million a year is used for operating purposes for increased service in the downtown area. Ms. Witt described the various capital projects which are funded from TIDF funds.

Passenger Incentive Rebate Program

Mr. Elzey explained that the purpose of the passenger incentive rebate program would be to provide Muni passengers with an on-time guarantee of service. This conceptual program would provide fare rebates (tokens) that would be available for passengers who experience delays in Muni service exceeding 15 minutes from published scheduled service. Mr. Elzey stated that the timeframe for such a pilot program would not exceed 6 months with a total cost not-to-exceed \$50,000. He said that staff would propose to develop a specific program identifying various procedures, marketing and various lines affected resulting from such a program. A report on the program would be presented to the Commission at its public hearing scheduled for May 26th and May 28th. Mr. Elzey requested that the Commission endorse the concept of such a program at this time. President Makras moved and Commissioner Jefferson seconded to endorse Muni's on-time incentive program. The motion was unanimously approved.

31-BALBOA Line

Mr. Johnny B. Stein, General Manager, Municipal Railway, stated that in 1983 Muni began its trolley coach expansion program to change the mode of operation on certain lines from diesel buses to electrical trolley coaches. When construction started in 1990 on the 31-BALBOA line, staff did not work into its plan accessible wheelchair trolley coaches.

Mr. Stein said that last year negotiations began with Seattle to lease at least 18 retrofitted trolley coaches for the 31-BALBOA line which would begin operation June 20, 1992. At this time, Seattle is reconsidering leasing those trolley coaches because they have received monies to expand their trolley services. Mr. Stein said that staff would like to start trolley service on the 31-BALBOA line on June 20, 1992 but will not have any accessible trolley coaches at that time. He stated that he will be meeting with the Elderly and Handicapped Advisory Committee concerning this issue and report back to the Commission at its next Commission meeting.

Mr. Pilpel expressed his disappointment regarding the possible delay in providing accessible trolley coach service on the 31-BALBOA line.

Public Comment

Mr. James Bryant, representing Local 790, presented a flyer to the Commission which listed concerns of station agents in the Muni Metro Subway regarding safety and accessibility.

Mr. Jano Oscherwitz, representing Local 790, stated that the American Disability Act stipulates that the Muni Subway Stations should be accessible both to seniors and disabled passengers and urged the Commission to address this problem.

Public Hearing

Resolution No. 92-0125 -- Adopting continuation of the mandatory 25% water conservation program, including the continued use of excess use charges and various water use restrictions.

Resolution No. 92-0126 -- Directing the Water Department to continue the same form of residential rationing currently in use.

Mr. John P. Mullane, General Manager, Water Department, stated that since the current water supply is comparable to last year, staff is recommending that the current mandatory 25% rationing program be continued. Mr. Mullane stated that all the elements of the program would remain the same as last year for San Francisco residents, which include: water use restrictions; excess use charges; mandatory conservation inspections; allocations for new accounts based on a per capita basis. The annual allocation of water allocated to the suburban resale customers would be based on the same inside/outside formula as last year. Banking provisions for suburban resale customers would also remain the same.

Mr. Mullane briefly discussed the various per capita alternatives stating that there were three basic types of per capita programs: 1) per capita - 56 gallons per day (gpd) - per occupant; 2) per household - 156 gpd per household; and, 3) per capita or per household plus irrigation - 50 gpd per occupant or 132 gpd per household, plus irrigation as per the irrigation schedule. Mr. Mullane said that if the Commission decides to take action in adopting a per capita program, that the Department recommends that the Commission adopt the per capita plus irrigation water methodology because it would be a more equitable program.

President Makras opened the meeting for public comments.

Mr. Harold Wright spoke in favor of continuing the current 25% rationing program.

Ms. Elizabeth Martin, Executive Director, San Francisco Beautiful, spoke in favor of the per capita plus irrigation program.

Mr. Douglass J. Engmann, representing himself, spoke in support of the continuation of the 25% water rationing program. He expressed his opinion that the Commission should take a longer term look as to how water is priced and allocated in San Francisco.

A public speaker read Ms. Isabel Wade's comments supporting the continuation of a water conservation measure as long as the formula allocates water for private and public landscaping.

Mr. James Beard, President, Bay Area Water Users Association (BAWUA), spoke in support of San Francisco Water Department's recommendation to continue rationing at the 25% level and the Department's water rate increase of 18.6% for suburban wholesale customers.

On motion of Commissioner Jefferson, seconded by Commissioner Hardeman, Resolution No.92-0125 was approved continuing the mandatory water conservation program at the 25% level.

On motion of Commissioner Hardeman, seconded by Commissioner Jefferson, Resolution No. 92-0126 was approved continuing the same form of residential rationing as currently in use.

Public Hearing

Resolution No. 92-0127 -- Adopting a revised Schedule of Rates for San Francisco and suburban retail customers.

Resolution No. 92-0128 -- Adopting a revised Schedule of Rates for suburban wholesale customers.

Mr. Mullane summarized the water rate increases for both the suburban retail and suburban wholesale customers with the use of charts. He stated that the water rates for San Francisco's retail customers in and outside of San Francisco would decrease by 4.6%. In 1990, the Public Utilities Commission adopted a 14% rate increase for San Francisco's retail customers in and outside the City. Staff is recommending at this time to eliminate the water purchase surcharge which would decrease the base cost of each billing union (748 gallons of water) from \$.94 to \$.897. Mr. Mullane said there were two other changes that would impact retail rates which are: 1) to establish a check return charge to allow the department to recover costs for checks returned due to insufficient funds; and 2) to make municipal accounts, that are exempt from payment of water charges, subject to payment of excess use fees when exceeding their allotment.

Mr. Mullane stated that suburban wholesale customers will continue to pay their proportional share of operating costs. Their rate increase is 18.6% above the current rates for 1991/92. The unit charge will increase from \$317.99 per acre foot to \$378.97 per acre foot. These rates are in accordance with the Master Sales Contract.

Commissioner Makras asked why the water rates have increased by 18% versus last year. Mr. Mullane replied this increase was necessary in order to cover costs associated with achieving parity with salary standardization and to cover costs associated with the Hetch Hetchy Filtration Plant.

On motion of Commissioner Jefferson, seconded by Commissioner Carson, Resolution Nos.92-0127 and 92-0128 were approved.

Resolution No. 92-0137 -- Authorizing the General Manager of the Water Department to negotiate and execute a professional services agreement with EDAW, Inc. at a cost not-to-exceed \$330,000 for the development of comprehensive watershed management policy and plans. (Continued from the April 14, 1992 meeting)

Resolution No. 92-0138 -- Authorizing the General Manager of the Water Department to negotiate and execute a professional services agreement with Bookman-Edmonston at a cost not-to-exceed \$250,000 for the Water Resources Study of the Alameda Creek Watershed. (Continued from the April 14, 1992 meeting)

Mr. Mullane stated that staff had reviewed both of these items at the request of the Commission at the last meeting. With the use of charts, Mr. Mullane explained that the Water Department owns and manages 63,000 acres of watershed land in Alameda, Santa Clara, and San Mateo Counties. Mr. Mullane said there were several different reasons why these studies were vital to the protection of San Francisco's interests in these land and water resources. He briefly highlighted eight elements, which include: 1) water quality protection; 2) fire protection; 3) protection of water rights; 4) water system construction and operations; 5) revenue generation; 6) environmental requirements; 7) recreational opportunities; and 8) State mandated planning. The entire program cost is approximately \$2.2 million over a period of 4-1/2 years. Mr. Mullane requested approval to continue with the first phase of the Watershed Management Planning Study and Alameda Creek Water Resources Study.

Mr. Pilpel spoke on behalf of the Sierra Club expressing their support to conduct these studies and examine the needs of the watershed lands.

Mr. Jacob Sigg, President, Yerba Buena Chapter of California Native Plant Society, spoke in support of a comprehensive watershed management plan in order to make wise choices related to watershed lands.

Mr. Arthur Feinstein, Conservation Chair, Golden Gate Society, spoke in support of a watershed planning study and urged the Commission to make sure the subcontractors selected for this project are qualified.

On motion of Commissioner Hardeman, seconded by Commissioner Jefferson, Resolution Nos. 92-0137 and 92-0138 were approved.

Item No. 18 -- Presentation of Chapter 3 and hearing comments on Chapters 1 and 2 of the draft Municipal Railway 1992-2001 Short Range Transit Plan.

Commissioner Jefferson inquired why safety issues with reference to security were not included in Chapter 2 under Goals and Objectives. Mr. Phil Chin, Deputy General Manager, Municipal Railway, replied that security has been a major concern of Muni and that staff would look at some way of establishing a measure of safety.

President Makras commented on issues surrounding the Mission Bay project in connection with transit and stated that a more regional approach should be included in the Short Range Transit Plan. President Makras also said that graffiti and a rate policy for Muni should be emphasized in the plan.

Mr. Phil Chin stated that Chapter 3 is the operating plan for the Short Range Transit Plan. He said that Chapter 3 provides the framework through which service is delivered and spells out the functional activities and measures used to see that service is provided. Chapter 3 also focuses on accessible services, regional travel and public information.

Mr. Pilpel commented on Chapters 1 and 2 of the Short Range Transit Plan in relation to incorporating increased ridership as a goal, developing new revenue sources to meet increasing demands in the face of budgetary constraints.

Item No. 19 -- Authorizing the San Francisco Municipal Railway to modify the contract with PGH Wong Engineering by extending the term of the contract to June 30, 1994 and increasing the contract amount by \$215,304 to a total of \$371,598 for Phase II work on the PCC Streetcar Restoration Project.

Item No. 20 -- Authorizing the San Francisco Municipal Railway to enter into a contract with Morrison Knudsen Corporation for an amount not-to-exceed \$8,047,450 for the restoration of 14 PCC Streetcars as defined by the specifications that accompany the contractual agreement.

Mr. Chin explained that modification to the contract with PGH Wong Engineering is for the procurement support services for the PCC Rehabilitation Program to monitor and manage the actual remanufacturing of the cars, to conduct inspections on site, to assure quality control and to manage the acceptance of the vehicles. Its companion item is to authorize the award of the contract to Morrison-Knudsen for the remanufacture of 14 PCC cars.

Commissioner Jefferson asked why this work could not be done in-house. Mr. Chin replied that Muni does not have the staff capability at this point to perform such work.

Commissioner Carson inquired as to the price of a new PCC car and the life expectancy of each vehicle. Mr. Chin replied that PCC cars were no longer being manufactured, therefore, the cost to rehabilitate each PCC car would be approximately \$550,000 with a life expectancy of 20 years.

Commissioner Jefferson asked how much money comes from federal sources and local sources for this project. Mr. Chin replied this project is primarily federally funded.

President Makras asked what the total cost of the project would be. Mr. Chin replied that from what staff knows of the cars, it is very unlikely that they would cost more than \$550,000 each. He said that it was possible that future costs could be added to the contract for the installation of wheelchair lifts. Mr. Chin stated that a decision has not been made as to whether or not there would be lifts versus wayside lifts. President Makras stated that he was not opposed to the rehabilitation of the PCC cars but that he was not prepared to vote on these items until staff has prepared an amended package with a master plan on exactly what will be negotiated before entering into a contract. Commissioner Hardeman moved to table these items.

Item No. 23 -- Authorizing the General Manager of the Water Department to execute Amendment No. 3 for Professional Services Agreement with Camp Dresser and McKee, Inc. in an amount not-to-exceed \$2,863,475 for water quality planning studies; and requesting the Controller to transfer funds.

Mr. Fonda Davidis, Project Manager, Utilities Engineering Bureau, explained that the Water Department entered into a contract with Camp Dresser and McKee, Inc. in 1989 to perform water quality planning studies. He stated that this is the final phase of water quality planning studies and that under this phase of the work, Camp Dresser and McKee, Inc. will perform pilot, bench and plant scale studies on the City's Hetch Hetchy and Alameda sources. He stated that this work constitutes an integral step in the City's effort to comply with the State mandated compliance order regarding the surface water treatment rules.

Mr. Elzey noted that this was a portion of background information surrounding the Hetch Hetchy Filtration Plant project requested by the Commission. Commissioner Jefferson inquired as to the relationship between this study and the filtration plant. Mr. Davidis replied that these studies would actually develop the design criteria for the Hetch Hetchy Filtration Plant and provide the design criteria for necessary improvements to the Sunol Water Treatment Plant.

President Makras expressed that he did not feel comfortable with going forward with this package because he did not have an overall picture on the course of action that is needed to complete such an expensive project.

Mr. Elzey stated that it was necessary to move forward with this project. He said that the design criteria that would result from these studies were necessary before the actual design and construction could begin on the Hetch Hetchy Filtration Plant itself.

Commissioner Jefferson requested staff to brief the Commission on an overall comprehensive presentation on all phases and components of the plan so that the Commission could see the big picture.

Commissioner Carson asked what the timeframe was for coming into compliance with the State law. Mr. Steve Leonard, Project Manager, Water Department, replied that the Department must be in compliance with the drinking water rules by January 1, 1999. The short-term objective for funding this project would be in November 1994. Mr. Leonard stated that a commitment had been made to have an engineering study and an environmental study complete by November, 1994 so that if the Commission does decide to go forward with issuing bonds to fund the project, all the necessary information would be completed.

Commissioner Hardeman moved to approve this item. Commissioner Jefferson seconded. The motion failed by a 2-2 vote with President Makras and Commissioner Carson voting against the motion.

Public Comments

Mr. Pilpel expressed his displeasure towards the community for cancelling the meeting scheduled by Muni regarding the 19th Avenue project.

Commissioner Carson inquired about the Geary Paper Division.

Mr. Stein replied that Muni has 1,833 full-time operator positions. He stated that the Memorandum of Understanding (MOU) with the union stipulates that 1,780 operating drivers must be on board and ready to go at all times. That leaves a balance of 53 positions which is referred to as Muni's Paper Division. That includes industrial injuries, long-term illnesses, long-term jury duty, military leave, etc.

THEREUPON THE MEETING WAS ADJOURNED: 6:25 P.M.

Romaine A. Boldridge
Secretary

MINUTES

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PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

May 12, 1992

COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and Construction
Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

DOCUMENTS SECT.

JUN 3 1992

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Call to Order 2:15 P.M.

Present: President Gordon Chin, Vice President Victor G. Makras, Commissioner James D. Jefferson, Commissioner Patricia A. Carson, Commissioner Michael E. Hardeman

On motion of Commissioner Jefferson, seconded by Commissioner Carson, the Minutes of the regular meeting of April 28, 1992 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION

NO

On motion of Jefferson, seconded by Makras, the following resolution was adopted in Executive Session:

92-0146 GM Authorizing legal counsel to file a response to the Districts' filing to the Federal Energy Regulatory Commission.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0147 WD Approving the plans and specifications as prepared and recommended by staff, and authorizing Bid Call for Water Department Contract No. WD-2064, 36-Inch Steel Main Installation in Dolores Street between San Jose and 25th Streets, 25th Street between Dolores and Sanchez Street between 25th and 22nd Streets, and 22nd Street between Sanchez and Castro Streets.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0148 HH Accepting the work performed under Hetch Hetchy Water and Power Contract No. HH-831, Moccasin Powerhouse Interior Repair and Painting; approving Debit Contract Modification No. 2 in the amount of \$1,062.47; and authorizing final payment in the amount of \$4,369.62 to River City Painting, Inc., Contractor.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

RESOLUTION
NO

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0149 MR Awarding San Francisco Municipal Railway Contract No. MR-1039-R, Curtis E. Green Light Rail Facility Geneva Site - Maintenance Building Paint Booth Fans, in the net amount of \$43,450 to E. Mitchell, Inc., San Francisco, CA.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

On motion of Makras, seconded by Hardeman, the following resolution was adopted:

- 92-0150 HH Approving the proposed organizational changes in Hetch Hetchy Water & Power as a result of vacancies created by Proposition A (early retirement); and directing the PUC to submit to the Mayor and Board of Supervisors budget changes necessary to implement the proposal.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

- 92-0151 MR Awarding San Francisco Municipal Railway Contract No. MR-1035-R, Kirkland Motor Coach Facility - Security Fencing & Gates, in the net amount of \$387,000 to Angotti & Reilly/T. E. Joo, AJV, San Francisco, CA.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0152 MR Requesting the Board of Supervisors' approval to contract for the provision of paratransit services for Fiscal Year 1992-93.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

On motion of Hardeman, seconded by Makras, the following resolution was adopted:

- 92-0153 UEB Awarding Hetch Hetchy Water and Power Contract No. HH-829-R, O'Shaughnessy Septic System Rehabilitation Phase II, in the net amount of \$167,374 to San Luis Construction, San Francisco, CA.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

RESOLUTION
NO

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

92-0154 UEB Approving the use of a pass-fail prequalification process to screen suitable contractors to submit price bids on the Muni Metro Turnaround construction contract.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0155 FM Authorizing the Director of Finance to apply for, accept, and expend \$28,814,387 from 1991-92 State of California Proposition 116, Clean Air and Transportation Improvement Act funds and \$28,814,387 from such regional and local matching fund sources as State Transit Assistance funds, Transportation Development Act, AB 1107 funds, Bridge Toll Revenues, Transit Impact Development Fees, Transportation Sales Tax Revenues, Hetch Hetchy funds, and/or the San Francisco Municipal Railway Improvement Corporation funds for the following Municipal Railway capital projects: Articulated Trolley Coach Replacement; Muni Metro Turnback; Potrero Division Rehabilitation; Geneva/Green Capacity Modification; Miscellaneous Rail Maintenance and Repair Equipment Acquisition; Subway Signal System Replacement; Muni Metro Extension to Sixth Street; F-MARKET/EMBARCADERO PCC Streetcar Rehabilitation; and Rail Replacement.

VOTE: Ayes - Chin, Makras, Jefferson, Carson,
Hardeman

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Announcement

President Chin announced that the Commission met in executive session prior to this meeting and delegated authority to staff to proceed with reference to Federal Energy Regulatory Commission Project No. 2299.

Old Business

Graffiti

Commissioner Makras requested that staff explore the use of Transit Impact Development Fee (TIDF) funds for graffiti cleanup and report back to the Commission. He also requested that staff look at different methods of graffiti cleanup, such as, painting over it. He asked for information on the level of staffing needed to carryout a cleanup program.

Mr. George Krueger, Utilities General Counsel, noted that there are guidelines for use of TIDF funds, one being that the use must relate to service in the downtown corridor.

Transfers

In response to questions from the Commission, Mr. Thomas J. Elzey, General Manager of Public Utilities, stated that the Transport Workers Union had raised concerns about the potential of charging for transfers and security of transfers. He said that staff is reviewing both the management of the transfer system and the issue of attaching a value to transfers and will report to the Commission in conjunction with the public hearing on fares.

Commissioner Jefferson stated that he was concerned about the number of automobiles which employees take home overnight and wanted to discuss the issue at a subsequent meeting.

New Business

Commendation

Commissioner Hardeman asked that staff recognize the efforts made by Municipal Railway drivers and supervisors who continued to provide service to the public during the period of demonstrations and curfew following the verdict in the Los Angeles Police Department brutality case.

Citizens Group

President Chin requested that staff outline various options for forming a citizens advisory committee for input on Municipal Railway issues and report to the Commission within one month.

Report of the General Manager

Update on FY 1992/93 Budget

Ms. Michelle Witt, Assistant General Manager, Finance, reviewed the budget process to date. The budget adopted by the Commission in February, 1992, meet the Mayor's request for a 10% reduction in general fund support, which was equal to \$11.6 million. This assumed that the Commission would adopt a fare increase totalling \$4.3 million. Since that time, the Mayor has raised the amount the budget must be reduced to \$30 million. Staff identified potential reductions through increasing savings from the early retirement program, transferring propulsion power to Hetch Hetchy, taking a one time credit from the Transit Impact Development Fee for past service increases, and additional administrative efficiencies. We are still short \$11 million.

Mr. Elzey stated that to address the shortfall, staff developed several fare options above the \$4.3 million package for the Commission's consideration at the fare hearing.

In response to questions from the Commission, Ms. Witt stated that if the Commission did not approve a package sufficient to meet the Mayor's request, that the Mayor could increase Salary Savings by the needed amount, causing the Controller to stop certifying salary expenses within the department which would result in personnel layoffs and service cuts.

Mr. Elzey stated that there had been a request from the Mayor's Office for an additional \$6 million contribution from Hetch Hetchy to the general fund. The budget adopted by the Commission provided for a \$10 million contribution. Through staff discussions with the Mayor's Office, we agreed to try to cover part of Muni's shortfall by absorbing an additional \$2.8 million for propulsion power, and to contribute \$5 million more for the general fund because we believed the runoff would be sufficient to handle it. Now, an additional \$6 million has been requested.

Mr. Anson Moran, General Manager Hetch Hetchy Water and Power, stated that the only way the department could come up with \$6 million is through deobligation of capital projects which would reduce the departments cash reserve and its ability to deal with a dire water contingency from its own resources. This would place the general fund at risk for a comparable amount of money.

Mr. Lawrence Martin, International Representative Transport Workers Union, requested that staff accompany the union and meet with the Mayor's Office regarding requisitions for drivers.

Mr. David Pilpel questioned the content of the fare hearing. Mr. Elzey replied that the scope of the hearing will include all the options outlined in the staff report which was released to the public April 29, 1992.

Item No. 9 -- Authorizing the General Manager of the Water Department to execute Amendment No. 3 for Professional Services Agreement with Camp Dresser and McKee, Inc. in an amount not-to-exceed \$2,863,475 for water quality planning studies; and requesting the Controller to transfer funds. (Continued to the meeting of May 26, 1992.)

Mr. John P. Mullane, General Manager, Water Department, explained that the item before the Commission is the amendment of an existing contract with Camp Dresser and McKee, Inc. for an increased level of services related to the water quality planning studies. The item was calendared previously and the Commission expressed certain concerns which he said he would try and answer today.

Since the 1960's there has been a steady increase in scientific knowledge and in regulations that demanded an increase in water treatment. Between 1966 and 1982 the Water Department built two treatment facilities that basically filter all locally gathered water. Hetch Hetchy water was not filtered. By the end of this fiscal year, one of those plants will have been expanded in capacity and we will continue to filter all the locally collected water. The Hetchy water is still unfiltered. Back in 1974 the original Safe Drinking Water Act was passed. Amendments were also passed in 1979 and 1986. From 1986 forward, the Department has taken two parallel tracks on the issue of filtration. One dealing with the regulatory body and sister utilities to attempt to keep the Department's options open relative to filtration. The second, premised on the assumption that if we are not successful that we would have to filter, has allowed us to move forward with the gathering of data necessary to actually develop a filtration plant.

Mr. Mullane said that the surface water treatment rule, which was proposed in 1986 at the federal level with the EPA, basically stipulated that all surface water supplies in California would have to be filtered to a standard equal to conventional treatment, that means filtration, which means removing microbiological contaminants from the surface water supply. In 1987, staff worked with various utilities and the federal EPA to attempt to sculpt or write the proposed regulations in such a way to allow for an exemption in filtration, which at this point is allowed by the federal EPA. In 1987 through 1990, the department participated with a joint AWWA-State Department of Health Services AdHoc Committee to further work on those standards. Ultimately the department was unsuccessful in gaining the exemption at the State level. Mr. Mullane stated that the State Department of Health has taken primacy on this issue which means they have the power to administer the regulations and in effect to develop more stringent regulations should they desire. In 1990 the surface water treatment rule was finally adopted by the State Department of Health. At that time the PUC General Manager instructed the Water Department basically to go for it, meaning we are going to have to filter so let us get the data on line to demonstrate what we are going to have to do, where we are going to do it, what is it going to cost us, what the direction of the department will be.

During that same period of time, the department (in 1987) implemented the first phase of the water quality planning study. Three phases have been completed to date. The most recent being the Hetch Hetchy Siting Study which was presented to the Commission in the latter part of last year. That particular phase of the study looked at a number of options as to where the plant could be placed and gave us such things as both construction and operation of maintenance costs, operational reliability both present and future, the adaptability of the various sites to treating water sources other than Hetchy and a schedule for implementation with compliance. He said that brings us to September of 1991 when the State Department of Health issued a compliance letter to the Water Department which said basically that we have to filter by July 1993. The State requested us to respond by February 1992 telling them that we have an intent to filter, that we have a schedule for compliance and that we have a financing plan. That letter was submitted on the last day of February 1992 after securing approval and sign off by this Commission to the State with a plan. That gets us to a point where the State has signed off on that Compliance letter not only for the City of San Francisco but for the 30 water districts that purchase water from the San Francisco Water Department on a wholesale basis to retail to its customers within their perspective districts. The theory is basically they are piggy back on the Water Department as long as we are in compliance, they are in compliance. Once we are out of compliance, they are out of compliance. That gets us to a point where we presented the Commission a number of options. The 5th option was to enter a compliance agreement and go out and build a filtration plant and be in compliance by 1999. That gets us to a point where we are today.

We have had three elements before the Commission during the last three months. Some of the elements were actually acted upon in one form at a earlier stage by prior Commissions. Those three elements are: 1) having an Environmental Impact Report completed; 2) completing a conceptual engineering review; and, 3) the phase four modification to the water quality plan which is the item before you. Those three items are tied together. The lynchpin to the whole thing is the phase four item that is before you today. If we gather the data and the data is so significantly different than we anticipated and we think we have an opportunity for legislative relief, we must have that data on the table to deal with the State Department of Health and EPA. The contract modification is going to provide us with various testings, the results of the tests, interpretations of the results, and the development of recommendations which will be used in whatever final mode we find ourselves. The flow chart shows the interrelationship between these three items and how all three would have to be completed in mid-1994 so that staff could come back to this Commission and seek your review of where we are and your approval to go forward with a bond request to the Board of Supervisors and ultimately to the electorate to fund the project.

One aspect of this amendment is that it is a \$2.8 million project of which over \$1 million has been designated for MBE/WBE participation. At the last meeting, the Commission raised three concerns. First, the potential financial risk that may be perceived for the City ratepayers in an overall project of this magnitude. We have already reopened negotiations with the Bay Area Water Users Association (BAWUA) to develop a plan that is basically pay-as-you-go for them as well as for the City ratepayers. Now, any bond issue or any capital improvement project that is approved within the budget process by this Commission, the Mayor, and the Board of Supervisors, ultimately says that the City ratepayers pay the front end costs and we only recoup those costs associated with the suburban customers at the time the project is complete, and we can capitalize it. These negotiations would guarantee that that method basically goes out the window and that they would participate in the same way that the City ratepayers pay. On the same issue of risk the questions was raised about what happens if down the road after we have committed to this and spent money, one of the thirty water districts says "Hey I want to back out - I found another supply". More than two thirds of our customers depend 100% on the Water Department and while it is not inconceivable, it is highly unlikely that they would be able to find another source to replace our supply. If that did occur, we would have already allocated the cost - basically one third to the City ratepayers and two-thirds to the suburban ratepayers. If somebody bowed out that pie would not be redivided between them and the City - it would be divided between the remaining members of the suburban water users. There would be no additional impact on the City ratepayers.

The second question which relates to the actual cost of the project over the next two years is somewhere in the range of \$10 to \$12 million. When we are talking about spending a half a billion dollars to build a filter plant, spending \$10 to \$12 million in the next two years to determine its size, where to put it, what the process would be, and, the approach to take, it is a small price to pay. Secondly, if you look at any semblance of hope of coming up with legislative relief, as small as that may be, we could not even be able to approach the State or EPA without having the data that is going to come out of this contract.

Third, is the big picture. What is the necessity for filtration? The bottom line is there is a law that says we have to do it - Everybody that has looked at it, the lawyers, the engineers, the water purification people, the professionals in the industry, agree that this is where we are going. If you do not approve this third piece of the triangle what will happen at a minimum is either delays or inaction in this particular process that will result in fines, potential lawsuits, the potential of receivership, the public notification which will totally destroy the public trust in the department.

Commissioner Makras said that what is being shared here today is potentially we could have a \$25,000 penalty times 30 which is \$750,000. He said that he disagreed with that. No where in this document does it say we are obligated to have a filtration plant for our water districts. We are imposing that on ourselves. He said that there are many options out there and he differed that we should spend \$10 million without looking and having discussed and look at the various options. For one - we could put a filtration plant in San Andreas for roughly \$50 million - filter everything north of Millbrae - tell our wholesale customers to go out and filter for themselves. He said he was not saying he wanted to take that course but that is a true option that is before the Commission. his concern is one of a business management approach. We can take care of ourselves, San Franciscans, for \$50 million. Staff is saying we have a \$500 million package of which our portion is 35% of the whole. I think we need to look at - could we filter each meter. Could we look at a small filtration plant and make one for every district or every main line. What we are entering into is basically floating \$500 million worth of bonds, turning to San Francisco and telling them to fund one of the biggest bond floats that I know of to service 65% of the water for someone else. We assume all of the risk - we assume all the responsibility and they get a free ride. If we are going to float bonds, why cannot we say let's share the bonds and have them float their portion of the bonds.

We should negotiate with the water districts up front and have them on board. If San Franciscans are to assume the responsibility of a half billion dollar filtration plant that thirty districts are going to benefit over 50%, I say we sit down with the districts and negotiate with them. If San Francisco is going to assume the risk, we should cut a business deal with revenue enhancements for the City and a return on our investment.

Mr. Elzey replied that staff is not prepared to respond at this time we want to study this before we respond.

Mr. Mullane stated that much of the data collected in the Phase 4 water quality study will be collected in the first quarter or two of the project. That data will filter into the other two projects and allow them to continue on a simultaneous basis.

Commissioner Jefferson moved to approve the amendment to the agreement and request staff to report on the issues raised by Commissioner Makras. Commissioner Jefferson said that the Commission would have an opportunity to act later because it would not have committed to the project other than through the RFP process for the EIR and conceptual engineering. Commissioner Hardeman seconded. Commissioner Jefferson said that the information coming out of this study will be needed even if we proceed on another track.

Commissioner Carson moved to continue this matter for two weeks for more information. Commissioner Jefferson withdrew his motion. Commissioner Makras seconded the motion for continuance. On the question, Commissioner Hardeman voted no, and Commissioners Chin, Makras, Jefferson and Carson voted for the continuance.

Resolution No. 92-0154 -- Approving the use of a pass-fail prequalification process to screen suitable contractors to submit price bids on the Muni Metro Turnaround construction contract.

Commissioner Makras suggested that the Commission table this and consider whether it wants to have a two tier system for bidding. Commissioner Jefferson spoke in favor of having a two tier system because the current system does not allow any other selection criteria other than price.

Mr. Flint Nelson of the Utilities Engineering Bureau, stated that this process has the support of the federal government and its consultant, and the insurance underwriters for this project.

Commissioner Jefferson volunteered to work on a committee to look at possible changes to the bidding process. President Chin appointed Commissioner Jefferson to review the issue. Commissioner Hardeman also volunteered to work on the bidding process.

On motion of Commissioner Jefferson, seconded by Commissioner Carson, Resolution No. 92-0154 was unanimously approved.

Public Comment

Mr. David Pilpel inquired about the impact of cutting more positions vacated by Proposition A. Mr. Pilpel stated that if the 19th Avenue folks do not comment on the Short Range Transit Plan they should not be upset if action is taken subsequently. He stated he would submit his suggestions to the Commission on a citizens advisory committee.

THEREUPON THE MEETING WAS ADJOURNED: 5:40 P.M.

Romaine A. Boldridge
Secretary

MINUTES

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PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

DOCUMENTS DEPT.

JUN 16 1992

REGULAR MEETING

SAN FRANCISCO
PUBLIC LIBRARY

Room 282, City Hall

2:00 P.M.

May 26, 1992

COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and Construction
Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order 2:10 P.M.

Present: President Gordon Chin, Vice President Victor G. Makras, Commissioner James D. Jefferson, Commissioner Patricia A. Carson, Commissioner Michael E. Hardeman

On motion of Commissioner Makras, seconded by Commissioner Jefferson, the Minutes of the regular meeting of May 12, 1992 were approved, as corrected.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION

NO

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0156 MR Requesting the Controller to draw warrants in payment of claims against the San Francisco Municipal Railway, totalling \$199,342.12.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0157 FM Approving collection of charges for damages for the month of March, 1992 against the San Francisco Municipal Railway from miscellaneous debtors in the amount of \$15,268.86 and write-off compromise reductions for comparative negligence in the amount of \$3,550.00; San Francisco Water Department write-off compromise reductions for comparative negligence in the amount of \$3,009.90; and Bureau of Light, Heat & Power from miscellaneous debtors in the amount of \$2,448.52.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0158 WD Accepting the work performed under WD-2078, Baden Pump Station-Purchase of Water Pumps and Motors as satisfactorily completed, and authorizing final payment in the amount of \$3,000.00 to the Contractor, Dresser Pump Industries.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

RESOLUTION

NO

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

- 92-0159 FM Approving a transfer of funds of \$200,000 from Water Department Bay Division Pipeline No.1 and No.2, Earthquake Brace/Repair, to Bay Division Pipeline No.4, Main Break.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

- 92-0160 GM Ratifying and approving the non Civil Service and Temporary appointments and removals made by the General Manager for the month of April, 1992.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

- 92-0161 GM Authorizing the General Manager of Public Utilities to amend the Hetch Hetchy Water and Power budget request by increasing the General Fund contribution from \$10 million to \$17 million; and reflecting a contribution of \$2.8 million to the Municipal Railway; and requesting that the Municipal Railway's budget be amended accordingly.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

On motion of Makras, seconded by Hardeman, the following resolution was adopted:

- 92-0162 WD Authorizing the General Manager of the Water Department to execute Amendment No.3 for Professional Services Agreement with Camp Dresser and McKee, Inc. in an amount not-to-exceed \$2,863,475 for water quality planning studies; and requesting the Controller to transfer funds.

VOTE: Ayes-Chin, Makras, Carson, Hardeman
Noes -Jefferson

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Requests from the Commission

Passes and Automobiles

Commissioner Makras requested that the Commission calendar for discussion the subject of free passes on the Municipal Railway. Commissioner Jefferson requested that at the same time staff calendar an item concerning employee automobile usage. President Chin requested that staff report in 30 days and provide background materials including previous Commission action and Memorandum of Understanding (MOU) information.

Attorney's Fees

Commissioner Makras requested that the City Attorney's office provide statistics from settled cases regarding the issue of attorney's fees and whether or not it would be advantageous for the Commission to include a clause providing for attorney's fees in contracts.

Charter Amendments

President Chin requested that the Commission receive ongoing information and staff analyses of proposed Charter Amendment which may affect the structure of the Public Utilities Commission.

Filtration

Commissioner Makras requested to be informed of all meetings with the Bay Area Water Users Association (i.e., date, time, and place). concerning discussion of a proposed Hetch Hetchy Filtration Plant.

The Public Utilities Commission held a public hearing in accordance with Section 3.598 of the Charter of the City and County of San Francisco to consider modifications to the schedule of Rates, Fares and Charges of the Municipal Railway. The following persons commented at the public hearing:

David Pilpel
Larry L. Jackson
Catherine Reardon
Arlene Wong
Barbara Baker
Cheryl Damico
Katherine Alberto
Erma Brim
Michael Kwok
Jack Gelmar
Marvis Phillips
Stephen Kuttner Jr
Ken Farmer
Shirley A. Bierly
Michael Henderson
Phillip Seronick

Shelley E. Salieri
Robert Pender
Keith Cogswell
Dee Ann Hendrix
Bruce M. Oka
Jewell McGinnis
Barbara Schipper
David Fairley
Samuel R. Ganczaruk
William A. Horn
Enid Ng Lim
Ricardo Leon
Don Eilhelberger
Carey Liu
David Grace
Lorin S. Rosemond

J. Rhett Varnador
Edward G. Evans
Diane
Mr. Thompson
Landis Whistler
Jane Cutter
Lee Anne Popkin
Herbert Weiner
Shelley Rauchman
Greg R.E. Millard
Erik Rader
Bruce Doohar

Tom Karnes
Richard Becker
Saul Kanowitz
Bruce Baginski
Jerry Grace
Ron Holladay
Maya Roth
Keith Pavlik
Beth Berkelhammer
Tim Dunn
Al Riley

The public hearing was continued to a special meeting on May 28, 1992, at 7:00 P.M. at the Southeast Community Facility Community Meeting Room, 1800 Oakdale Avenue, San Francisco, California.

THEREUPON THE MEETING WAS ADJOURNED: 8:08 P.M.

Romaine A. Boldridge
Secretary

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

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JUN 6 1992

SAN FRANCISCO PUBLIC LIBRARY

SPECIAL MEETING

Southeast Community Facility
Community Meeting Room

1800 Oakdale Avenue
San Francisco, CA

May 28, 1992

7:00 P. M.

COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DEPARTMENTS

Hetch Hetchy Project

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and Construction
Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 7:15 P. M.

Present: President Gordon Chin, Vice President Victor G. Makras, Commissioner James D. Jefferson, Commissioner Patricia A. Carson, Commissioner Michael E. Hardeman

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION

NO

On motion of Makras, seconded by Jefferson, the following resolution was adopted:

92-0163 MR Approving the Clean and On-time and the Passenger Incentive programs for 1992-93, and approving a revised fare schedule for the Municipal Railway to be forwarded to the Board of Supervisors with a recommendation for adoption.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

Copies of the above resolution are on file in the office of the Secretary of the Public Utilities Commission.

The Public Utilities Commission continued the public hearing from May 26, 1992 in accordance with Section 3.598 of the Charter of the City and County of San Francisco to consider modifications to the Schedule of Rates Fares and Charges of the Municipal Railway. The following persons commented at the public hearing:

John Denham	Gloria La Riva
David Paul Grace	Sarah Jay
John Rowson	Bruce Buginski
Bruce Oka	Arlene Wong
David Hirata	Constance Kurupper
Larry Jackson	Andrew Freeman
Leatrice Remo	Jerry Grace
David Pilpel	Richard Becker
Deetje Boler	Bobbie Brown
Hedy Griffin	Larry Martin

THEREUPON THE MEETING WAS ADJOURNED: 9:45 P. M.

Romaine A. Boldridge
Secretary

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

June 9, 1992

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JUN 2 1992

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COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DEPARTMENTS

Hetch Hetchy Projects

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and Construction
Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order 2:15 P.M.

Present: Vice President Victor G. Makras, Commissioner James D. Jefferson,
Commissioner Patricia A. Carson, Commissioner Michael E. Hardeman

Excused: President Gordon Chin

Vice President Victor Makras presided.

On motion of Commissioner Jefferson, seconded by Commissioner Carson, the Minutes of the Regular Meeting of May 26 and Special Meeting of May 28, 1992 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION

NO.

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0164 MR Requesting the Controller to draw warrants in payment of claims against the San Francisco Municipal Railway, totalling \$101,500.00.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0165 MR Approving collection of charges for damages for San Francisco Municipal Railway from miscellaneous debtors in the amount of \$4,536.91 and write-off compromise reductions in the amount of \$311.28; and San Francisco Water Department from miscellaneous debtors in the amount of \$669.36; and Bureau of Light, Heat & Power from miscellaneous debtors in the amount of \$38.83 for the month of April 1992.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0166 WD Approving plans and specifications as prepared and recommended by staff and authorizing Bid Call for San Francisco Water Department Contract No. WD-2129, 12-Inch Ductile Iron Main Installation in Johnstone Drive, Medical Center Road and Clarendon Avenue.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0167 MR Permitting Gildersleeve Electric to perform work in the place of and instead of Reid Electric Inc., in the proposed subcontract amount of \$15,512.58 under Municipal Railway Contract Number MR-999 Curtis E. Green Light Rail Facility - Main Maintenance Building, Modification to LRV Lifts.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0168 WD Accepting the work performed under San Francisco Water Department Contract No. WD-2065, 12-Inch Ductile Iron Main Installation in Lombard, Powell, Union and Stockton streets from Jones and Green streets, as satisfactorily completed ;and approving debit Contract Modification No.1 in the amount of \$32,064.50; authorizing an extension of time for unavoidable delay of 5 working days; and authorizing final payment in the amount of \$41,311.80 to the Contractor, P & J Utility Company.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0169 MR Requesting the Board of Supervisors' approval to extend the time for award of Muni Contract No. MR-898, 14 Mission Line Trolley Overhead Reconstruction (Phase A - Persia Avenue to Daly City Loop).

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

- 92-0170 WD Consenting to the Assignment of Lease from California Federal Bank, FSB, (beneficiary of Carruf Corporation, N. V., Lessee), as Assignor, to Don Pearlman Joint Venture Eleven, Assignee, for the remainder term of said Lease, subject. to the requirements that the Assignee assume all the covenants, conditions, duties and obligations contained in said Lease.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Makras, seconded by Jefferson, the following resolution was adopted:

- 92-0171 MR Approving the award of Contract MR-1034R to Alcatel Canada, Inc. upon the terms and conditions negotiated by the parties in an amount not to exceed \$52.7 million; and requesting that the Board of Supervisors approve Contract MR-1034R pursuant to Section 3.502 of the Charter.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Carson, the following resolution was adopted:

- 92-0172 MR Authorizing the San Francisco Municipal Railway to enter into a contract with Morrison Knudsen Corporation for an amount not to exceed \$8,047,450, for the restoration of 14 PCC streetcars.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0173 MR Authorizing the San Francisco Municipal Railway to modify the contract with PGH Wong Engineering by extending the term of the contract to June 30, 1994 and increasing the contract amount by \$215,304 to a total of \$371,598 for Phase II work on the PCC Streetcar Restoration Project.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Carson, the following resolution was adopted:

- 92-0174 MR Authorizing the Municipal Railway to modify the existing contract with Booz, Allen and Hamilton, Inc. to support the completion of the procurement program for (60) Articulated Trolley Coaches, and to increase the contract amount by \$373,000 to a total not to exceed \$1,120,129, and to extend the term of the contract to June 30, 1993.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0175 MR Authorizing the circulation of a Request for Proposals for professional services to undertake a Bayshore Corridor System Planning Study.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

- 92-0176 HH Authorizing the General Manager of Public Utilities to enter into the seventh amendment to the agreement with Grueneich, Ellison and Schneider increasing the amount that may be paid under the contract by \$852,000, for a total amount not to exceed \$2,162,500 for legal services.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

- 92-0177 UEB Authorizing the Manager of the Utilities Engineering Bureau to solicit Requests For Proposals from engineering consulting firms to provide professional services to perform the "Needs Assessment and Functional Study" for the Water Quality Division Laboratory.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Makras, seconded by Jefferson, the following resolution was adopted:

- 92-0178 UEB Commending Mr. Tom Mullaney on the occasion of his retirement and extending best wishes to him and his family for good health and happiness for many years to come.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

- 92-0179 UEB Authorizing the Manager, Utilities Engineering Bureau, to negotiate and execute an agreement with EIP Associates to provide environmental consultant services not to exceed \$350,000.00 for a term of two years.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0180 FM Authorizing the Assistant General Manager, Finance, Public Utilities Commission, to apply for, accept, and expend \$1,704,000 from 1991-92 State Traffic Systems Management funds or Petroleum Violation Escrow Account funds for the Municipal Railway, to support energy efficient transportation improvements, including signal system pre-emption installations.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0181 FM Authorizing the Assistant General Manager of Finance, Public Utilities Commission to apply for and accept up to \$3.1 million of Bridge Toll funds for SFMRIC lease payments and \$51.5 million of regional funds, such as, Transportation Development Act (TDA), State Transit Assistance (STA), AB 1107 half-cent sales tax revenues, BART Transfer funds, and federal assistance through the Section 8 and 9 programs for 1992-93 Municipal Railway operations, and to expend the \$64,000 in planning funds from the Section 8 program.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Carson, seconded by Hardeman, the following resolution was adopted:

- 92-0182 FM Authorizing the Public Utilities Commission General Manager to execute a permit to use property at Pier 30 - 32 at the Port of San Francisco for the Municipal Railway Annual Bus Rodeo.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0183 FM Approving approximately \$12.4 million additional in the one-time contribution to the City's general fund of Transit Impact Development Fee funds.

VOTE: Ayes - Makras, Jefferson, Carson, Hardeman

Appointments

President Makras appointed himself and Commissioner Jefferson as a task force to monitor and review the issue of filtration of Hetch Hetchy water.

President Makras appointed Commissioners Jefferson and Hardeman to monitor the Bayshore Corridor Study.

Requests From the Commission

Leases

Commissioner Makras requested that the Water Department review its lease procedures and develop a mechanism for implementing month to month leases in cases where the annual revenue is not significant, and also that the department record a memorandum of the lease on the property to avoid future problems concerning ownership.

Commissioner Makras requested that the Water Department report to the Commission regarding water usage by lessees, specifically, whether or not the water is metered and paid for by the lessee and whether usage is monitored by the rationing program.

On-time and Graffiti Programs

Commissioner Makras requested a report at the next Commission meeting regarding the Municipal Railway's current on-time and graffiti programs to use as a baseline for comparing the effectiveness of the new programs.

Performance Profile

Commissioner Makras requested that the Municipal Railway provide details concerning the increase in complaints and what the department is doing to address this issue.

Liquidated Damages

Commissioner Makras requested a copy of staff's calculations regarding the liquidated damages on Contract No. MR-1034 with Alcatel Canada, Inc.

Professional Services Contracts

Commissioner Jefferson requested a summary of the contracts the department currently has with the firm of Booz, Allen and Hamilton and the contracts they have had over the last 5 years.

THERE UPON THE MEETING WAS ADJOURNED: 4:20 P.M.

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

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JUL 17 1992

REGULAR MEETING

SAN FRANCISCO
PUBLIC LIBRARY

Room 282, City Hall

2:00 P.M.

June 23, 1992

COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DEPARTMENTS

Hetch Hetchy Projects

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and Construction
Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:10 P.M.

Present: President Gordon Chin, Vice President Victor G. Makras, Commissioner James D. Jefferson, Commissioner Patricia A. Carson, Commissioner Michael E. Hardeman

On motion of Commissioner Makras, seconded by Commissioner Carson, the Minutes of the Regular Meeting of June 9, 1992 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Chin, seconded by Jefferson, the following resolution was adopted:

92-0185 MR Approving the Municipal Railway Metro System Key Station Identification and Accessibility Implementation Plan for disabled access to the Light Rail System.

VOTE: Ayes - Chin, Jefferson, Carson, Hardeman
Noes - Makras

On motion of Makras, seconded by Hardeman, the following resolution was adopted.

92-0186 MR Requesting the Controller to draw warrants in payment of claims against the San Francisco Municipal Railway, totalling \$60,000.00.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Makras, seconded by Hardeman, the following resolution was adopted.

92-0187 WD Requesting the Controller to transfer \$250,000 from the San Andreas Water Treatment Plant Expansion No. 2 Project (FAMIS No. 692772) to supplement the San Antonio Pump Station Improvement Project (FAMIS No. 7-41108).

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Makras, seconded by Hardeman, the following resolution was adopted.

92-0188 WD Requesting the Controller to transfer funds from the Water Department's craft salaries in the amount of \$173,694 for the payment of Worker's Compensation claim payments in fiscal year 1991-92.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted.

- 92-0189 WD Authorizing the General Manager of the Water Department to advertise and circulate a Request-for-Proposal (RFP) from interested professional consulting firms to prepare a groundwater master plan in San Francisco.

VOTE: Ayes - Chin, Makras, Jefferson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted.

- 92-0190 WD Authorizing the General Manager of the Water Department to advertise and circulate a Request-for Proposal (RFP) from interested professional consulting firms to prepare an environmental impact review for the groundwater master plan in San Francisco.

VOTE: Ayes - Chin, Makras, Jefferson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted.

- 92-0191 HH Authorizing the General Manager, Hetch Hetchy Water and Power, to negotiate and execute the fourth amendment to the agreement with Bookman-Edmonston Engineering to increase their funding by \$478,000 for the Fiscal Year 92-93, bringing the Contract total to \$839,500, and extend the contract term through August 31, 1993.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Makras, seconded by Jefferson, the following resolution was adopted.

- 92-0192 HH Authorizing the General Manager of Public Utilities to negotiate and execute a 1 year extension of the professional services agreement with ERM-West, Inc. to provide engineering services through June 30, 1993.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Makras, the following resolution was adopted.

- 92-0193 HH Authorizing the General Manager of Public Utilities to modify the contract with Utah State University Foundation increasing the amount \$41,142 for study of valves on the Canyon Penstock.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted.

- 92-0194 WD Approving Amendment No. 1 to Contract WD-2088 increasing the contract by \$127,457.23 and extending the time for completion to October 1, 1992; and approving Amendment No. 2 which increases the maximum contract amount by \$370,000 to a total of \$1,839,112.23, subject to the approval of the Board of Supervisors, Stacy and Witbeck, Inc., Nationwide Construction Company, Inc. and West Bay Equipment, AJV, Contractor.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Makras, the following resolution was adopted.

- 92-0195 MR Approving Contract Modifications 4 through 11 in the aggregate amount of \$386,294.00, to San Francisco Municipal Railway Contract No. MR-869, N.L. Barnes Construction Company, Inc., Contractor.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted.

- 92-0196 WD Approving Contract Modification No. 2 to Water Department Contract No. WD-2037R, Calaveras Pipeline Replacement, to San Francisco Water Department, increasing amount \$776,614, Stacey and Witbeck, Inc., Contractor.

VOTE: Ayes - Chin, Makras, Jefferson, Carson, Hardeman

Requests From The Commission

Requisitions

Commissioner Jefferson moved, Commissioner Hardeman seconded, a motion which was unanimously approved, to send a communication to the Mayor expressing concern about the number of unapproved requisitions and inquiring as to whether there is a hiring freeze for Municipal Railway and PUC Bureau positions.

Leases

Commissioner Makras requested a list of Water Department leases where the lessee is not charged for water usage.

Bus Washer

Commissioner Makras requested that staff determine the cost of restoring the Potrero Division bus washer to service prior to completion of the rehabilitation project.

Claims

Commissioner Makras requested the file on a Small Claims Court case where the plaintiff was awarded damages due to a late bus.

Accessibility

President Chin requested that Municipal Railway staff work with the disabled community and report to the Commission in 6 months with an update of the planning process for future accessibility.

Vehicle Usage and Muni Passes

President Chin requested that a item be calendared in one month to discuss employee vehicle usage, including the number of emergency calls in the last 12 months and the Muni employee pass policy.

Station Agents

Commissioner Jefferson requested that an item be calendared for July 14, 1992 to adjust the 1992-93 budget to substitute Station Agents for Car Cleaners.

In accordance with the Americans with Disabilities Act, the Public Utilities Commission held a public hearing on the Municipal Railway Key-Station Plan to provide access for disabled persons to key stations on the Muni Metro system. The following persons commented at the public hearing:

Yvonne Morro
John Cailleau
Bob Planthold
Laurie Hodas

Edward G. Evans
Landis Whistler
Paul Kavanaugh

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THEREUPON THE MEETING WAS ADJOURNED: 4:20 P.M.

Romaine A. Boldridge
Secretary

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

DOCUMENTS DEPT.

JUL 17 1992

SAN FRANCISCO
PUBLIC LIBRARY

SPECIAL MEETING

Room 282, City Hall

5:00 P.M.

June 30, 1992

COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DEPARTMENTS

Hetch Hetchy Projects

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and Construction
Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Jill R Thompson

ACTING SECRETARY

Call to Order: 5:10 p.m.

Present: President Gordon Chin, Vice President Victor G. Makras, Commissioner Patricia A. Carson, Commissioner Micheal E. Hardeman

Excused: Commissioner James D. Jefferson

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION

NO.

On motion of Hardeman, seconded by Carson, the following resolution was adopted:

92-0197 WD Authorizing the General Manager of Public Utilities to purchase water from the State Water Bank by executing the 1992 Water Bank Agreement inclusive of Amendment No. 1 thereto and executing a wheeling agreement with the Department of Water Resources; and directing the General Managers of the Water Department and Hetch Hetchy Water and Power to identify additional water for purchase up to the capacity of the South Bay Aqueduct, subject to the approval of the Commission.

VOTES: Ayes - Chin, Makras, Carson, Hardeman

Requests from the Commission

State Water Bank

President Chin requested a report on the State Water Bank since its inception. Specifically, he wanted the report to show how much water has been made available, who has bought from the Bank, how much have they purchased and at what price.

THEREUPON THE MEETING WAS ADJOURNED: 6:05 P.M.

Jill R. Thompson
Acting Secretary

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

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AUG 05 1992

REGULAR MEETING

SAN FRANCISCO
PUBLIC LIBRARY

Room 282, City Hall

2:00 P.M.

July 14, 1992

COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DEPARTMENTS

Hetch Hetchy Projects

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and Construction
Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:15 p.m.

Present: President Gordon Chin, Vice President Victor G. Makras, Commissioner Patricia A. Carson, Commissioner Micheal E. Hardeman

Excused: Commissioner James D. Jefferson

On motion of Commissioner Makras, seconded by Commissioner Hardeman, the Minutes of the Regular Meeting of June 23 and Special Meeting of June 30, 1992 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Hardeman, seconded by Makras, the following resolution was adopted:

92-0198 MR Approving the plans and specifications as prepared and recommended by staff and authorizing Bid Call for Municipal Railway Contract No. MR-1050, Overhead Lines Traction Power System, Various Locations - Installation of Traffic Pre-empts Phase I.

VOTE: Ayes - Chin, Makras, Carson, Hardeman

On motion of Makras, seconded by Hardeman, the following resolution was adopted.

92-0199 WD Approving the plans and specifications as prepared and recommended by staff and authorizing Bid Call for Water Department Contract No. WD-2132, Millbrae Shops Phase IIA.

VOTE: Ayes - Chin, Makras, Carson, Hardeman

On motion of Hardeman, seconded by Makras, the following resolution was adopted.

92-0200 WD Awarding San Francisco Water Department Contract No. WD-2118, Replace Underground Fuel/Oil Tanks at CDD Yard - 1990 Newcomb Street, in the amount of \$375,928.00 to Walton Engineering, Inc.

VOTE: Ayes - Chin, Makras, Carson, Hardeman

On motion of Makras, seconded by Hardeman, the following resolution was adopted.

92-0201 HH Accepting the work performed under Hetch Hetchy Water and Power Contract No. HH-813R, Assembly and Pre-Energization Test of Moccasin Spare Transformer, as satisfactorily completed; approving debit Modification No. 2 in the amount of \$17,594.00; authorizing an extension of time for unavoidable delay of 108 days; and authorizing final payment in the amount of \$21,306.25 to the Contractor, Calco West Electric, Inc.

VOTE: Ayes - Chin, Makras, Carson, Hardeman

On motion of Hardeman, seconded by Makras, the following resolution was adopted.

- 92-0202 PER Ratifying and approving the Non Civil Service and Temporary appointments and removals made by the General Manager for the month of May, 1992.

VOTE: Ayes - Chin, Makras, Carson, Hardeman

On motion of Hardeman, seconded by Makras, the following resolution was adopted.

- 92-0203 MR Reallocating \$280,648 from surplus funds available in Muni's budget for the Bureau of Light, Heat, and Power, Data Processing Professional Services, CAO Insurance & Risk, Security, Training, and Sewer Service Charges to offset funding shortfalls for BART payments, Materials and Supplies, and Other Contractual Services.

VOTE: Ayes - Chin, Makras, Carson, Hardeman

On motion of Hardeman, seconded by Makras, the following resolution was adopted.

- 92-0204 WD Approving the request to extend the Professional Services contract completion time with Woodward-Clyde Consultants to December 31, 1992 to perform additional work consisting of Embankment Stability Study for Water Department CIP Project W755.0 Stanford Heights Reservoir Seismic Study.

VOTE: Ayes - Chin, Markas, Carson, Hardeman

On motion of Makras, seconded by Hardeman, the following resolution was adopted.

- 92-0205 MR Authorizing the PUC General Manager to amend PUC's existing contracts with the California Department of Transportation, Caltrans, to provide feeder bus service to and from the Caltrans terminal at 4th and Townsend, collect ridership data, and for sales of Peninsula Passes; and transferring the management of these contracts from Caltrans to the Joint Powers Board.

VOTE: Ayes - Chin, Makras, Carson, Hardeman

At 5:10 P.M. Carson was excused.

On motion of Makras, seconded by Hardeman, the following resolution was adopted:

- 92-0206 MR Authorizing the General Manager of Public Utilities to enter into a lease agreement with the Municipality of Metropolitan Seattle for wheelchair accessible trolley coaches for operation on line 31-Balboa and to expend available funds to transport said coaches and to modify said coaches to make them suitable for Municipal Railway service.

VOTE: Ayes - Chin, Makras, Hardeman

On motion of Hardeman, seconded by Chin, the following resolution was adopted:

- 92-0207 HH Authorizing the PUC General Manager to negotiate and execute a three (3) year extension of the term of the contract with Call Company to June 30, 1995, with no additional funding at this time.

VOTE: Ayes - Chin, Makras, Hardeman

On motion of Hardeman, seconded by Chin, the following resolution was adopted:

- 92-0208 HH Approving the terms and conditions of the second renewal of a twenty-year (20) lease arrangement with the State Department of Fish and Game to commence effective July 1, 1992; and authorizing the Real Estate Department to proceed with the necessary legislation whereby the Board of Supervisors will approve the agreement and authorize the Mayor to execute same on behalf of the City.

VOTE: Ayes - Chin, Makras, Hardeman

On motion of Makras, seconded by Hardeman, the following resolution was adopted:

- 92-0209 UEB Approving Takeover Agreement between City and Federal Insurance Company to provide for completion of Hetch Hetchy Contract No. HH-830, San Joaquin Pipeline No. 2 - Segment 2 - Replace Mortar Lining, in accordance with the said Contract and subject to the conditions and requirements as set forth in said Takeover Agreement, and authorizing the Manager, Utilities Engineering Bureau, to execute said Takeover Agreement on behalf of the Public Utilities Commission of the City and County of San Francisco.

VOTE: Ayes - Chin, Makras, Hardeman

On motion of Makras, seconded by Hardeman, the following resolution was adopted:

- 92-0210 UEB Approving Amendment No. 1 to the Personal Services Agreement Between the City and County of San Francisco Public Utilities Commission, Utilities Engineering Bureau and Consolidated Engineering Laboratories for Testing Laboratory and Technical Engineering Services (UEB Contract No. 417), which amendment increases the maximum amount under the contract from \$100,000 to \$150,000, and extends the contract completion date by one year.

VOTE: Ayes - Chin, Makras, Hardeman

On motion of Makras, seconded by Chin, the following resolution was adopted:

- 92-0211 UEB Approving Debit Modification No. 8 in the amount of \$150,000.00 to San Francisco Water Department Contract WD-2060, San Andreas Water Treatment Plant Expansion No. 2, S. J. Amoroso Construction Company, Inc./Verrett Construction Company, Inc., Contractor.

VOTE: Ayes - Chin, Makras, Hardeman

On motion of Hardeman, seconded by Chin, the following resolution was adopted:

- 92-0212 FM Authorizing the Assistant General Manager, Finance, Public Utilities Commission to certify that the San Francisco Public Utilities Commission will follow Senate Bill 2800 guidelines as approved by the California Transportation Commission (CTC) and as authorized specifically for San Francisco Public Utilities Commission in CTC Resolution No. ALM-90-1, to enable the advance expenditure of required local match funds for current and future state funded projects.

VOTE: Ayes - Chin, Makras, Hardeman

On motion of Makras, seconded by Hardeman, the following resolution was adopted:

- 92-0213 FM Authorizing the Assistant General Manager, Finance, Public Utilities Commission to apply for, accept and expend \$45,885,000 for 1991-92 Proposition 108 Urban Rail Bonds Funding, and an equal amount of regional/local matching funds for the following eight Municipal Railway Projects: Muni Rail Trolley Overhead Study, Muni Metro Extension to Sixth Street, Light Rail Vehicle Purchase - 12 New LRV's, Muni Metro Subway Signal System, F-Market Streetcar Line and PCC Streetcars, F-Embarcadero Streetcar Extension, Muni Metro Extension - 6th to 16th Streets, and Mission Bay Trolley Extension.

VOTE: Ayes - Chin, Makras, Hardeman

On motion of Makras, seconded by Hardeman, the following resolution was adopted:

- 92-0214 Authorizing the Assistant General Manager, Finance, Public Utilities Commission to apply for, accept and expend \$15,374,260 of 1992-93 State of California Transit Capital Improvement funds and an equal amount of capital matching funds for the following 15 Municipal Railway capital projects: Muni Metro Turnback, Diesel Bus Rehab, Articulated Trolley Purchase, Market Street Thoroughfare, F-Market-Embarcadero Streetcar Line, Trolley Overhead Reconstruction, Metro Center Improvements, LRV Purchase, Metro East Facility, Cable Car Renovation, 71-Noriega Electrification, J/M Layover Terminals, Metro East/Illinois RR Bridge, Metro Accessibility Improvements and 14-Mission Trolley Extension.

VOTE: Ayes - Chin, Makras, Hardeman

On motion of Makras, seconded by Hardeman, the following resolution was adopted:

- 92-0215 FM Authorizing the use of standby pay for the Water Department and the Finance Bureau; and directing staff to file the Standby Pay Report with the Civil Service Commission.

VOTE: Ayes - Chin, Makras, Hardeman

Requests From The Commission

Complaints

Commissioner Makras requested a report at the next meeting on the increase in Municipal Railway complaints.

J/M Platform and Trackway Improvement Project

President Chin requested more information on this project, including: staff's analysis of the cost savings; staff's analysis of the community alternative, with estimates of both capital and operating costs; the status of the funding if the pocket tracks are deleted; documentation on other areas of the City which have pocket tracks; and the sections of the Environmental Impact Statement on the J-Line Extension which dealt with this project.

Revenue Vehicle Insurance

Commissioner Makras requested information at the next meeting on the City's policy regarding insurance - specifically, whether the City is self-insured or does the City purchase vehicle insurance, and what the final insurance provisions are in the Seattle trolley coach lease.

Thereupon the Meeting Was Adjourned: 6:15 P. M.

Romaine A. Boldridge
Secretary

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

July 28, 1992

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AUG 07 1992

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COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DEPARTMENTS

Hetch Hetchy Projects

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and Construction
Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:15 p.m.

Present: President Gordon Chin, Vice President Victor G. Makras, Commissioner James D. Jefferson, Commissioner Patricia A. Carson, Commissioner Michael E. Hardeman

On motion of Commissioner Hardeman, seconded by Commissioner Jefferson, the Minutes of the Regular Meeting of July 14, 1992 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION

NO.

On motion of Jefferson, seconded by Chin, the following resolution was adopted in executive session:

92-0216 MR Approving settlement in the case of Jerri Smock v. CCSF, et al. Superior Court No. 930-622.

VOTE: Ayes-Chin, Makras, Jefferson
Noes-Carson, Hardeman

On motion of Jefferson, seconded by Chin, the following resolution was adopted:

92-0217 MR Requesting the Controller to draw warrants in payment of claims against the San Francisco Municipal Railway, totalling \$179,000.00.

VOTE: Ayes-Chin, Jefferson, Carson, Hardeman
Excused - Makras

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0218 WD Authorizing bid call for Water Department Contract No. WD-2134, CDD Summit Pump Station Standby Generator and Related Work.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0219 MR Accepting the work performed under Contract No. MR-892 at the Scott Facility by San Luis Construction as satisfactorily completed, approving Contract Modification No. 3 in the credit amount of (\$2,308.20) and authorizing final payment in the amount of \$5,478.10 to the Contractor, San Luis Construction.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-9220 GM Ratifying and approving the Non Civil Service and Temporary appointments and removals made by the General Manager for the month of June, 1992.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

RESOLUTION
NO.

On motion of Makras, seconded by Hardeman, the following resolution was adopted:

- 92-0221 MR Rejecting protest of Angotti and Reilly in the matter of Contract No. MR-889R, Flynn Facility Modifications.

VOTE: Ayes-Makras, Carson, Hardeman
Noes-Chin, Jefferson

On motion of Makras, seconded by Hardeman, the following resolution was adopted:

- 92-0222 MR Rejecting all bids and authorizing rebidding, Municipal Railway Contract No. MR-889R, Flynn Facility Modifications.

VOTE: Ayes-Makras, Carson, Hardeman
Noes-Chin, Jefferson

On motion of Makras, seconded by Carson, the following resolution was adopted:

- 92-0223 WD Accepting work performed under San Francisco Water Department Contract No. WD-2067, 8-Inch Ductile Iron Main Installation in Hayes Street between Buchanan and Larkin Streets, as satisfactorily completed; approving debit Contract Modification No. 1 in the amount of \$ ____; authorizing an extension of time for unavoidable delays of 22 working days; and authorizing final payment in the amount of \$ ____ to the Contractor, P & J Utility Company.

VOTE: Ayes-Chin, Makras, Jefferson, Carson
Noes-Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0224 MR Authorizing the Assistant General Manager of Finance, Public Utilities Commission to apply for, accept, and expend \$7,507,831 in FTA Section 9 operating assistance, \$4,974,542 in FTA Section 9 capital assistance, \$25,000,000 in FTA Section 3 Fixed Guideway capital assistance, \$12,400,000 in federal Surface Transportation Program/Congestion Management Air Quality capital assistance, regional, and \$10,530,276 from state, regional, and local match funds such as State Transit Capital Improvement Funds, State Urban Rail Bond Funds, State Clean Air and Transportation Improvement Act Bond Funds, State Transit Assistance Funds, State Transportation Development Act Funds, Bridge Toll Net Revenues, Regional Measure One funds, Gas Tax Revenues, Transit Impact Development Fees, San Francisco Municipal Railway Improvement Corporation Funds, San Francisco County Transportation Sales Tax, Port of San Francisco Funds, Catellus Corporation Funds for the following Municipal Railway projects: Operating Assistance, Muni Metro Turnback, Trolley Bus Purchase, Trolley Overhead Reconstruction: 14-MISSION, Muni Metro Accessibility Improvement, Cable Car Vehicle Renovation, Light Rail Vehicle purchase, and Metro East Light Rail Vehicle Facility/Illinois Street Bridge.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

RESOLUTION
NO. _____

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

92-0225 FM Authorizing the Assistant General Manager of Finance, Public Utilities Commission to commit \$6,250,000 from the Transit Impact Development Fee as local match funds for the Muni Metro Turnback Project.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0226 FM Authorizing the Assistant General Manager of Finance, Public Utilities Commission to apply for, accept, and expend \$14,788,500 from 1993-94 State Transit Capital Improvement funds and \$14,788,500 from such regional and local matching fund sources as Clean Air and Transportation Act of 1990 Bonds, State Transit Assistance funds, Transportation Development Act funds, AB 1107 funds, AB664 Bridge Toll funds, Regional Measure One Bridge Tolls, Transit Impact Development Fees, Transportation Sales Tax Revenues, and/or the San Francisco Municipal Railway Improvement Corporation funds for the above-listed Municipal Railway projects.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

Copies of the above resolutions are on file in the office of the Secretary of the Public Utilities Commission.

Announcements

President Chin reported that the Commission met in executive session immediately before this meeting and approved settlement in the case of Jerri Smock v. City and County of San Francisco, Superior Court No. 930-622.

Commissioner Hardeman reported that he toured both the east bay and peninsula facilities of the Water Department with the General Manager and other staff. He reported that he attended the annual cable car bell ringing contest. Commissioner Hardeman also visited the site of the J&M line project on 19th Avenue with Municipal Railway staff and community representatives. He said that the community suggested planting grass in the right-of-way and staff agreed to look into it.

Requests from the Commissioner
Employee Passes and Vehicle Usage

Commissioner Jefferson requested copies of the applicable sections of the Memorandums of Understanding that relate to employee passes or use of City vehicles.

THEREUPON, THE MEETING WAS ADJOURNED: 4:50 P.M.

Romaine A. Boldridge
Secretary

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

August 11, 1992

COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DOCUMENTS DEPT.

AUG 28 1992

SAN FRANCISCO

DEPARTMENTS

Hetch Hetchy Projects

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and Construction
Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:05 p.m.

Present: President Gordon Chin, Vice President Victor G. Makras, Commissioner James D. Jefferson, Commissioner Patricia A. Carson, Commissioner Micheal E. Hardeman

On motion of Commissioner Makras, seconded by Commissioner Carson, the Minutes of the Regular Meeting of July 28, 1992 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Jefferson, seconded by Carson, the following resolution was adopted in executive session:

92-0227 MR Approving settlement in the case of Strategic Organization Systems v. CCSF

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0228 MR Approving Contract Modifications 12 through 18 in the aggregate amount of \$323,324.00 to Municipal Railway Contract No. MR-869 Potrero Facility Rehabilitation.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0229 WD Approving Debit Contract Modification No. 9 in the amount of \$80,107.00 to San Francisco Water Department Contract WD-2060, San Andreas Water Treatment Plant Expansion No. 2.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

On motion of Makras, seconded by Jefferson, the following resolution was adopted:

92-0230 GM Approving the execution of an agreement between the City and County of San Francisco and San Mateo County Transit District (SanTrans) for an independent appraisal of Water Department (formerly Municipal Railway) right-of-way in San Mateo County.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

On motion of Makras, seconded by Hardeman, the following resolution was adopted:

- 92-0231 MR Discontinuing and authorizing rerouting of a portion of the express route for line 82X-CalTrain Levi Plaza Express.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

On motion of Makras, seconded by Jefferson, the following resolution was adopted:

- 92-0232 UEB Rejecting all bids and authorizing readvertisement of San Francisco Municipal Railway Contract No. MR-898, No. 14 Mission Line Trolley Overhead Reconstruction Project Phase A - Persia Avenue to Daly City Loop.

VOTE: Ayes-Makras, Jefferson, Hardeman
Noes-Chin
Excused-Carson

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

- 92-0233 UEB Approving the Cable and Conduit Agreement with Western Union ATS, Inc. governing removal of cables and conduit at the base of Market Street along The Embarcadero for construction of the Muni Metro Turnaround project.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

- 92-0234 FM Authorizing the Assistant General Manager of Finance to request \$750,000 in SFMRIC funds to prepare a legal defense against outstanding claims regarding the J-Line project.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

Announcements

President Chin reported that the Commission met in executive session immediately before this meeting and approved settlement in the case of Strategic Organization Systems v. CCSF, SMSC No. 350-629.

Commissioner Hardeman reported that he and Commissioner Jefferson had toured the sewer tunnel project at the end of Sloat Boulevard to gain an understanding of how the Municipal Railway Turnback project will be done on The Embarcadero. He stated that he attended the signing of the contract with Alcatel for the improved signal system.

President Chin announced that the workshop on Hetch Hetchy filtration and water supply and demand issues would be held Tuesday, August 18, 1992, at 9:30 a.m., at the Sunol Golf Course in Sunol, California.

Requests from the Commission

Graffiti Remover

Commissioner Makras inquired about the possibility of using a specific product for graffiti removal. In response to the information presented by staff regarding the product's Materials Safety Data Sheet, President Chin requested a report on the product approval process used by all City departments.

Change Machines

President Chin requested that staff move as quickly as possible on obtaining change machines in the Metro stations.

Right of Way Appraisal

Commissioner Jefferson requested that the General Manager look into inclusion of the City's contracting requirements in the right of way appraisal contract and any subsequent contracts and that the General Manager advise the Commission whether these issues are appropriately dealt with prior to the Commission's consideration of further actions.

Employee Passes

Commissioner Jefferson requested an opinion from the City Attorney regarding "past practices" as it relates to Muni/PUC employee passes not covered by a Memorandum Of Understanding and what constitutes meet and confer within this context, and how far does it have to go if there is not agreement.

THEREUPON, THE MEETING WAS ADJOURNED: 4:35 P.M.

Romaine A. Boldridge
Secretary

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SF
MINUTES
PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

August 25, 1992

COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DEPARTMENTS

Hetch Hetchy Projects

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and Construction
Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

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SEP 4 1992

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Call to Order: 2:30 p.m.

Present: President Gordon Chin, Vice President Victor G. Makras, Commissioner James D. Jefferson, Commissioner Patricia A. Carson, Commissioner Micheal E. Hardeman

On motion of Commissioner Jefferson, seconded by Commissioner Hardeman, the Minutes of the Regular Meeting of August 11, 1992 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0235 WD Rescinding Resolution No. 92-0223; and accepting work performed under Water Department Contract No. WD-2067, approving debit Contract Modification No. 1 in the amount of \$22,601.50; authorizing an extension of time for unavoidable delays of 48 working days; and authorizing final payment in the amount of \$20,184.60 to the Contractor, P & J Utility Company.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Chin, the following resolution was adopted:

92-0236 MR Requesting the Controller to allot funds and to draw warrants against such funds as are or will be available in payment of claims against the San Francisco Municipal Railway totaling \$143,500.

VOTE: Ayes-Chin, Jefferson, Hardeman
Noes-Makras, Carson

On motion of Makras, seconded by Jefferson, the following resolution was adopted:

92-0237 MR Approving collection of charges for damages for the month of June 1992 against the Municipal Railway in the amount of \$7,484.10 and write off compromise reductions in the amount of \$1,980.33, and collections against the Bureau of Light, Heat and Power in the amount of \$7,183.88.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

On motion of Makras, seconded by Jefferson, the following resolution was adopted:

92-0238 WD Authorizing Bid Call for San Francisco Water Department Contract No. WD-2108, 8-inch Ductile Iron Main Installation in Presidio Avenue between California and Post Streets and in Post Street between Presidio Avenue and Scott Street.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

On motion of Makras, seconded by Jefferson, the following resolution was adopted:

92-0239 WD Authorizing bid call for Water Department Contract No. WD-2130, Ventilation of Adit Structures.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

On motion of Makras, seconded by Jefferson, the following resolution was adopted:

92-0240 WD Authorizing bid call for Water Department Contract No. 2137, Hoisting Equipment at Various Pump Stations.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

On motion of Makras, seconded by Jefferson, the following resolution was adopted:

92-0241 EC Authorizing the Bureau of Energy Conservation to apply for, accept and expend \$50,000 in grant funding from the U.S. Department of Energy and the Urban Consortium (through its fiscal agent, the City of Chicago) to continue its energy management activities.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

On motion of Makras, seconded by Jefferson, the following resolution was adopted:

92-0242 GM Requesting the Board of Supervisors approval to contract for security guard services for the Public Utilities Commission for 1992-93.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0243 WD Approving Amendment No. 1 to Agreement between the Department of Water Resources and the City and County of San Francisco for the Construction, Operation and Maintenance of the Temporary Sunol Blowoff Turnout Within South Bay Aqueduct Right of Way.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0244 MR Authorizing the Municipal Railway to reroute line 48-QUINTARA/24th STREET to operate current route to 24th Street and Hoffman Avenue, then right on Hoffman Avenue, continuing via regular route; subject to service on request only via the current route to 24th and Hoffman, then left on Hoffman, right on 25th Street, right on Fountain Street, and right on 24th Street to Hoffman, at which point the regular route would be resumed.

VOTE: Ayes-Chin, Jefferson, Carson, Hardeman
No -Makras

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0245 MR Authorizing the Municipal Railway to reroute line 48-QUINTARA/24TH STREET to operate in the outbound direction, between the hours of approximately 5:30 AM and 7:00 PM weekdays, current route to 23rd Street and Utah Street, then left on Utah, right on 24th Street and crossing Potrero Avenue to resume the regular route on 24th Street.

VOTE: Ayes-Chin, Jefferson, Carson, Hardeman
No -Makras

On motion of Makras, seconded by Hardeman, the following resolution was adopted:

- 92-0246 MR Authorizing the Municipal Railway to join with other Regional Transit Association operators in providing (55) fifty-five free regional transit passes for unlimited rides on Bay Area transit systems, including the Municipal Railway, from November 1, 1992 through October 31, 1993.

VOTE: Ayes-Chin, Makras, Jefferson, Hardeman
Absent-Carson

On motion of Makras, seconded by Hardeman, the following resolution was adopted:

- 92-0247 UEB Accepting the work performed under Hetch Hetchy Water and Power Contract No. HH-815R, Hetch Hetchy Security Lock System, as satisfactorily completed; approves Credit Contract Modification No. 1 in the amount of \$7,810.23; authorizes an extension of time for unavoidable delays of two hundred and ninety-nine (299) calendar days; and authorizes final payment in the amount of \$29,606.02 to the Contractor, Advanced Design.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

On motion of Makras, seconded by Hardeman, the following resolution was adopted:

- 92-0248 UEB Awarding Hetch Hetchy Water and Power Contract No. HH-801, in the amount of \$474,758.00 to George Reed, Inc., P.O. Box 548, Sonora, CA 95370, as the lowest responsive bidder.

VOTE: Ayes-Chin, Makras, Jefferson, Carson, Hardeman

Requests From the Commission

J - M Platform & Trackway Improvement Project

President Chin directed that staff meet with representatives from the neighborhood to discuss issues concerning the project. The format would be a committee of five people selected by the 19th Avenue Committee and five people representing the Municipal Railway, two of whom shall represent other organizations or areas affected by the project. A representative of the Mayor's Office and Commissioners Hardeman and Carson will sit in on the discussions. The committee shall report to the Commission at its September 22, 1992 meeting. The General Manager of Public Utilities shall convene and chair the first meeting and the Mayor's Office will seek to find a facilitator for the committee.

Announcements

Hetch Hetchy Filtration

President Chin announced that on August 18, 1992 the Commission participated in an all day workshop with persons from other water districts around the Bay Area regarding the issue of water quality and whether Hetch Hetchy water should be filtered. President Chin congratulated staff on conducting the workshop.

THEREUPON, THE MEETING WAS ADJOURNED: 4:18 P.M.

Romaine A. Boldridge
Secretary

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

September 8, 1992

COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

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DEPARTMENTS

Hetch Hetchy Projects

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and Construction
Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:10 p.m.

Present: President Gordon Chin, Commissioner James D. Jefferson, Commissioner Patricia A. Carson, Commissioner Michael E. Hardeman

Excused: Vice President Victor G. Makras

On motion of Commissioner Jefferson, seconded by Commissioner Hardeman, the Minutes of the Regular Meeting of August 25, 1992 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

92-0249 FM Requesting the Controller's concurrence in amendment of Rule 6, Section E, and Rule 7, Section A through D, Rules and Regulations, Public Utilities Commission Revolving Funds.

VOTE: AYES - Chin, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0250 MR Requesting the Controller to allot funds and to draw warrants against such funds as are available in payment of claims against the San Francisco Municipal Railway totaling \$329,000.

VOTE: AYES - Chin, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0251 WD Requesting the Controller to allot funds and to draw warrants against such funds as are available in payment of claims against the San Francisco Water Department totaling \$90,000.

VOTE: AYES - Chin, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0252 MR Authorizing Bid Call for Municipal Railway Contract No. MR-1029, H. Welton Flynn Motor Coach Facility Furnish and Install Automatic Transmission Fluid Tank.

VOTE: AYES - Chin, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0253 WD Authorizing bid call for Water Department Contract No. WD-2131, Install Permanent Work Platforms/Supply Division.

VOTE: AYES - Chin, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0254 MR Awarding San Francisco Municipal Railway Contract No. MR-897, Special Trackwork for San Francisco Municipal Railway Modifications to Geneva Yard and Shop in the amount of \$1,167,000 to Stacy and Witbeck, Inc.

VOTE: AYES - Chin, Jefferson, Carson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0255 PT Ratifying and approving the Non Civil Service and Temporary appointments and removals made by the General Manager for the month of July, 1992.

VOTE: AYES - Chin, Jefferson, Carson, Hardeman

On the motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0256 GM Establishing a policy of charging fees for duplication of records; and adopting a Fee Schedule.

VOTE: AYES - Chin, Jefferson, Carson, Hardeman

On the motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0257 UEB Awarding San Francisco Water Department Contract No. WD-2136, Repaving of Street and Sidewalk Openings for the San Francisco Water Department for the Fiscal Year Ending June 30, 1993, in the amount of \$1,371,819 to the low bidder, A Ruiz Construction Company and Associates, Inc.; and waiving the minor defects in the bid submitted by A. Ruiz Construction Company and Associates, Inc.

VOTE: AYES - Chin, Jefferson, Carson, Hardeman

On the motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0258 UEB Authorizing the Utilities Engineering Bureau Manager to negotiate a professional services agreement for preliminary engineering services for the Hetch Hetchy Water Treatment Project with the Camp Dresser & McKee Team, for an amount not to exceed \$1,000,000.

VOTE: AYES - Chin, Jefferson, Carson, Hardeman

On the motion of Jefferson, seconded by Carson, the following resolution was adopted:

- 92-0259 UEB Authorizing the Manager, Utilities Engineering Bureau, to execute Amendment No. 7 to Agreement CS-361 with Bechtel Corporation through December 31, 1992 in an amount not to exceed \$649,837 for professional services during the bid and award and preliminary advance construction phases of the MUNI Metro Turnaround project.

VOTE: AYES - Chin, Jefferson, Carson, Hardeman

On the motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

- 92-0260 UEB Authorizing the Manager, Utilities Engineering Bureau, to execute Amendment No. 2 to the Agreement with James W. Montgomery Consulting Engineering, Inc. for engineering services for the Sunol Valley Water Treatment Plant Improvements in an amount not to exceed \$645,874.

VOTE: AYES - Chin, Jefferson, Carson, Hardeman

On the motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

- 92-0261 UEB Requesting the Controller to transfer \$244,545 from the San Andreas Water Treatment Plant Expansion No. 2 project to the Sunol Valley WTP Improvement project; and authorizing the Manager, Utilities Engineering Bureau, to execute Amendment No. 3 to the Agreement with James M. Montgomery Consulting Engineering, Inc. for engineering services for the Sunol Valley Water Treatment Plant Improvements in an amount not to exceed \$244,545.

VOTE: AYES - Chin, Jefferson, Carson, Hardeman

On the motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

- 92-0262 UEB Authorizing the Manager, Utilities Engineering Bureau, to execute Amendment No. 1 to the Agreement with Gannett Fleming Engineers and Planners for engineering services for Islais Creek Fleet Maintenance Facility and Rehabilitation of the Existing Woods Fleet Maintenance Facility to extend the term of the contract to December 31, 1993.

VOTE: AYES - Chin, Jefferson, Carson, Hardeman

On the motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

- 92-0263 FM Authorizing the Director of Finance to request proposals for Placement Agent services in connection with the placement of a cross-border sale and leaseback transaction for the sixty articulated electric trolley buses.

VOTE: AYES - Chin, Jefferson, Carson, Hardeman

On the motion of Carson, seconded by Hardeman, the following resolution was adopted:

92-0264 EC Authorizing the Bureau of Energy Conservation to circulate a Request for Proposal for a consultant to perform energy efficiency design review of municipal Capital Improvement Projects.

VOTE: AYES - Chin, Jefferson, Carson, Hardeman

REPORT OF THE GENERAL MANAGER

Impact of State budget on the 1992-93 PUC Budget

Thomas J. Elzey, General Manager of Public Utilities, outlined the issues contained in the Mayor's Office memorandum regarding the PUC budget. The Mayor's Office requested PUC to reduce its budget by \$15 million. They asked that the three departments, Municipal Railway, Water, and Hetch-Hetchy, prepare an organizational chart detailing the positions needed to assume the functions now performed by the PUC bureaus. The Mayor's Office believes that there is redundancy of functions in the structure of the Public Utilities Commission. They believe that 18 to 20 positions can be eliminated. The Mayor's Office is also asking that PUC reduce the number of positions earning \$85,000, expand the span of control in the departments, look over work rules for possible savings and direct staff to review the Muni fare policy and to reduce Muni bus services to make up the deficit.

Michelle Witt, Director, Bureau of Finance, also summarized the issues raised in the memo from the Mayor's budget staff.

Mr. Elzey asked for guidance from the Commission on how to proceed to address the issue. Commissioner Jefferson directed staff to review the operational implications of implementing this proposal, to look at other possible alternatives to this scenario and to look at the implications of this proposal to the bureaus' ability to function.

David Pilpel spoke and expressed his opinions about the proposed decentralization of the bureaus functions. He indicated that service cuts beyond \$4-\$6 million annualized is intolerable.

Discussion of this item was continued to Friday, September 11, 1992 at 9:00 a.m. at a place to be determined.

Courtesy Passes and Vehicle Use

Discussion of this item is continued to the next Commission meeting to allow time for the Commission to review the City Attorney's opinion and the latest information provided by staff. Commissioner Jefferson requested an inventory of all vehicles for the next meeting.

Resolution No. 92-0256 - Establishing a policy of charging fees for duplication of records; and adopting a Fee Schedule.

David Pilpel requested that a separate copy of all materials presented to the Commission be available for public review on the Friday before Tuesday's meeting. He also requested that all correspondence listed in the summary sheets also be available.

Commissioner Chin directed staff to make a copy of the meeting package available for members of the public to look at Monday before the Commission meeting. This copy will be a public review file and cannot be removed from the Commission office.

Resolution No. 92-0257 - Awarding San Francisco Water Department Contract No. WD-2136, Repaving of Street and Sidewalk Openings for the San Francisco Water Department for the Fiscal Year Ending June 30, 1993 to A. Ruiz Construction Company & Associates

Lisa Brown of the City Attorney's Office advised that litigation was filed by Stacy & Witbeck as a result of their bid protest. Randall B. Smith, Counsel for Stacy & Witbeck, was present and he discussed the reasons why the contract should be awarded to Stacy & Witbeck and not A. Ruiz Construction, which focused on the procedures for implementing bid preferences.

Resolution No. 92-0258 - Authorizing the Utilities Engineering Bureau Manager to negotiate a professional services agreement for preliminary engineering services for the Hetch Hetchy Water Treatment Project with the Camp Dresser & McKee Team.

Resolution No. 92-0259 - Authorizing the Manager, Utilities Engineering Bureau, to execute Amendment No. 7 to Agreement CS-361 with Bechtel Corporation for the MUNI Metro Turnaround project.

Resolution No. 92-0260 - Authorizing the Manager, Utilities Engineering Bureau, to execute Amendment No. 2 to the Agreement with James W. Montgomery Consulting Engineering, Inc. for the Sunol Valley Water Treatment Plant Improvements.

Resolution No. 92-0261 - Requesting the Controller to transfer \$244,545 from the San Andreas Water Treatment Plant Expansion No. 2 project to the Sunol Valley WTP Improvement project; and authorizing the Manager, Utilities Engineering Bureau, to execute Amendment No. 3 to the Agreement with James M. Montgomery Consulting Engineering, Inc. for the Sunol Valley Water Treatment Plant Improvements.

Resolution No. 92-0262 - Authorizing the Manager, Utilities Engineering Bureau, to execute Amendment No. 1 to the Agreement with Gannett Fleming Engineers and Planners for engineering services for Islais Creek Fleet Maintenance Facility and Rehabilitation of the Existing Woods Fleet Maintenance Facility.

Commissioner Jefferson asked staff to provide an update on actual MBE participation to date and the participation anticipated in the future on the following contracts:

1. Camp Dresser & McKee
2. Bechtel Corporation
3. James W. Montgomery Consulting Engineering, Inc.
4. Gannett Fleming Engineers and Planners

Resolution No. 92-0263 - Authorizing the Director of Finance to request proposals for Placement Agent services in connection with the placement of a cross-border sale and leaseback transaction for the sixty articulated electric trolley buses.

Michelle Witt, Bureau of Finance Director discussed how the cross-border lease works. Under the cross-border lease, the PUC would sell the trolley coaches it is procuring from Canada to a foreign company and then lease them from that company. Staff hopes to raise \$2 million from the arrangement. Staff is working with financial advisers to issue a Request for Proposals to determine if there is enough interest in the financial community. Ms. Witt said that they are looking for alternative funding sources if the cross-border lease idea does not work.

David Pilpel asked further questions regarding the cross-border lease.

PUBLIC COMMENTS:

David Pilpel talked about staffing levels in Central Control. Mr. Elzey indicated he will discuss this issue with the unions in due time.

Patricia Hester requested removal of the bus stop in front of her house. Johnny Stein, General Manager, Municipal Railway, stated that he would bring this up with the interdepartmental committee that handles such matters.

THEREUPON THE MEETING WAS RECESSED TO FRIDAY, SEPTEMBER 11, 1992
AT A PLACE TO BE DETERMINED: 4:46 P.M.

Romaine A. Boldridge
Secretary

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan
Mayor

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RECESSED MEETING

Room 228, City Hall

9:00 A.M.

September 11, 1992

COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DEPARTMENTS

Hetch Hetchy Projects

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and Construction
Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 9:17 a.m.

Present: President Gordon Chin, Vice President Victor G. Makras, Commissioner James D. Jefferson, Commissioner Patricia A. Carson, Commissioner Michael E. Hardeman

RESOLUTION
NO. _____

On motion of Commissioner Makras, seconded by Hardeman the following resolution was adopted:

92-0265 Recommending measures for reducing the 1992-93 budget by \$15 million.

VOTES: AYES - Chin, Makras, Jefferson
 NOES - Carson, Hardeman

IMPACT OF THE STATE BUDGET ON THE 1992-93 PUC BUDGET
(Continued from the regular meeting of September 8, 1992)

Thomas J. Elzey, General Manager, Public Utilities Commission, reported what occurred in the meeting with the Mayor with two Commissioners, three department heads and Finance Director Michelle Witt in attendance. He gave a brief overview of what was requested by the Mayor's office in regard to the PUC budget and the reorganization of the department. The Mayor's staff met with the three operating departments to discuss their organizational structures. The Mayor requested a \$15 million reduction in the PUC budget and that we look at eliminating positions earning \$85,000, look at changing work rules, review the Municipal Railway fare policy and change bus schedules.

Johnny Stein, General Manager, Municipal Railway presented an organizational chart reflecting the changes he proposes to make if the Municipal Railway assumes the bureaus' functions. He identified \$2 million in savings if his department absorbs the functions of financial management (\$400,000), BMIS (\$100,000), and Protective Services (\$150,000), privatizing claims (\$900,000), reduce UEB contracts (\$500,000) and reducing the amount of reproduction costs by changing the way they print bus schedules (\$100,000).

Commissioner Jefferson stated that each department head should identify any regulatory impediments that will impact the ability to achieve these savings, for example MOUs and Civil Service Commission rules.

Anson Moran, General Manager, Hetch Hetchy, addressed cost savings and reorganization issues such as power, accountability, feasibility and level of integrity. The bureau structure gives power to the Commission and the PUC General Manager, and it allows the bureau heads to be appointed. Decentralizing some bureaus like BMIS would not be feasible, while it may be feasible for UEB which has a matrix structure by engineering function and department. In some cases where the function is located makes no difference, such as Reproduction. If Contract Compliance were to report anywhere else it would be severely compromised. The bureaus and departments have different objectives. Personnel and Finance both have integrity today. That may change if they are decentralized, especially in the areas of grants and bond covenants. Mr. Moran stated that there is some overlap of functions in Hetch-Hetchy and the bureaus, one example is the Bureau of Energy Conservation. He added that it would cost more money for Hetch Hetchy if they were to absorb some of the bureaus.

Commissioner Makras indicated that the use of zero based budgeting is an approach to accomplish what the Mayor has asked PUC to do. He suggested to look first at the issue that PUC was asked to reduce its budget and the next thing to do is assess the areas where service can be reduced and have each department head defend those areas in terms of its necessity and effects on their respective departments.

John Mullane, General Manager, Water Department, addressed some of the bureau functions the Water Department will be able to assume such as finance and personnel functions. These functions may jointly reside in Water and Hetch-Hetchy since Water and Hetch-Hetchy have the same types of reporting requirements. The management function of the Utilities Engineering Bureau can be assumed very easily. Mr. Mullane stated he agrees in concept with assuming the Bureau of Management Information System function but is concerned about the difficulty in removing the facility from its existing location. Health & Safety functions will be easy to assume. He stated that the proposals will work for the Water Department but the professional and technical level of expertise performed by the bureaus is irreplaceable.

Michelle Witt, Director, Bureau of Finance, discussed the elements of the budget reduction proposal for the Public Utilities Commission. She identified five areas where savings can be achieved, namely, Administrative efficiencies, Equity Transfers, Labor Efficiencies, Service Reductions and Muni Fare Increase.

Administrative Efficiencies

Under administrative efficiencies, staff anticipate savings in bureau efficiencies from decentralizing and eliminating the bureau functions for a six month savings of \$500,000, MUNI efficiencies (\$900,000), security (\$500,000) and reduce facilities security costs (\$100,000).

Ms. Witt stated that in regard to MUNI efficiencies, they are looking at the possibility to charge four positions to grant funds and reduce ballpark bus services. Mr. Stein will present a proposal possibly cutting three or four employees in the superintendent level in the salary range of \$85,000.

Savings in security costs can be achieved by shifting security responsibility to the Police Department, reducing police patrol, and reducing the Burns Security Agency contract.

Labor Efficiencies

Ms. Witt discussed the \$3.0 million savings in labor efficiencies and work rule changes, \$1.5 million of which will be derived from deferring trust payment and \$1.5 million from TWU premiums and allowances. The \$1.5 million deferred trust payment will be paid back when the proof-of-payment plan is implemented.

Service Reductions

The proposed service reduction plan is anticipated to generate \$4.3 million in six months. Service reductions will involve eliminating community service lines, parallel service and stopping the OWL service. In this proposal, it has to be taken into account whether Muni has to do an EIR on the impact of this level of service reduction.

MUNI Fare Increases

Michelle Witt presented four scenarios to the fare increase and the revenues that can be generated. She said the savings are calculated assuming implementation on January 1st and without taking into consideration any reduction in service.

Equity Transfers

Under Equity Transfer, savings can be achieved contingent upon the Water Department's sale of land to the Olympic Club, the Water Department's capital deobligation from the Hetch Hetchy filtration project and recalculation of Hetch Hetchy 1992-93 power revenues.

John Mullane discussed the process of the sale of land to the Olympic Club. By Charter, the Water Department has to put the land up for auction to generate a sale. The land is zoned as open space. John Mullane stated that staff anticipates completing the process during this fiscal year thereby realizing the revenue of \$2.2 million this fiscal year.

The \$2.5 million proposed equity transfer from the Hetch Hetchy filtration project is one half of the funds from defunding the project. The difference the Water Department will retain as a surplus to cover any type of emergencies during the year. Tom Berliner of the City Attorney's Office spoke about the legal implications of this recommendation. He stated that there cannot be an equity transfer unless there is a surplus, and a surplus can be created if the revenue exceeds 125% of last year's operating costs.

If the Water Department is directed to deobligate \$5.0 million, they will have no money to fund emergency projects.

The Hetch-Hetchy Department recalculated its power revenues for 1992-93 and were able to increase the estimates by about \$5.0 million. Mr. Moran, General Manager, Hetch-Hetchy, said he will be able to contribute \$2.0 million to the budget shortfall. He will retain the \$3.0 million as contingency for drought risk. If Hetch Hetchy is asked to deobligate the full \$5.0 million the only contingency plan is to stop existing capital improvement activities.

Commissioner Makras discussed the options and the impact of the proposals presented to reduce PUC's budget by \$15 million. He stated that he would like the departments to look at all areas of recommendations and determine whether these can be done within the budget time and whether savings can be achieved in this fiscal year.

Public Comments:

David Pilpel discussed his comments about the budget cut proposals: i.e. consider a fare increase of \$1.10 rather than service cuts; those areas that attempt to recover their costs should fully recover their costs; special events cost the City a lot and those costs should be recovered; provide a yearly Muni pass to adult, senior, disabled, and youth to encourage sustained ridership; other City-wide revenues should be tapped; capital projects that increase operating costs should be delayed; eliminate road service division; any work rule changes should be negotiated with the labor unions; reduce materials and supplies costs; and reduced work week. Commissioner Chin requested Mr. Pilpel to put these suggestions in writing. David Pilpel also said that the Hetch Hetchy and Water Department capital deobligation recommendations are imprudent and probably would not be approved by the Mayor.

Fred Peterson of the Transport Workers Union Local 200, spoke about the reorganization and work rule changes. He said these are MOU issues and should be negotiated with the labor unions.

Alice Fialkin of the Transport Workers Union Local 200, expressed her concern about the proposal to get rid of 15 line supervisors. She said PUC should organize and restructure at the top level.

Jano Oscherwitz of Local 790, stated that PUC should review its overtime costs especially those rendered by administrators and should not layoff people who are actually doing the work.

Ray Antonio of Local 250A expressed his opposition to all the proposals presented.

Bobby Brown, President of the Transport Workers Union Local 250A, said he is in favor of the Municipal Railway taking back bureau functions as a streamlined organization.

Chuck Richardson, Chief of Protective Services, announced his resignation to accept the Chief of Police position in the county of Monterey. He discussed various activities in Municipal Railway facilities and the volume of investigations Protective Services had undertaken. He stated that the Protective Services Bureau has continued to save the City in preventive security measures. He said it would be a big mistake if protective services is taken away from the General Manager of Public Utilities.

Commissioner Chin summarized what was discussed. He said that he hoped that the labor unions will work with the Mayor regarding MOU and work rule issues. He suggested that the Commission direct staff on how to proceed in responding to the Mayor's request.

Commissioner Jefferson suggested that since the Mayor would like to see more savings in administrative efficiencies the response to the Mayor's request should include costs and savings in that aspect. He suggested that the Commission add \$2.8 million from savings in the bureaus and Muni efficiencies and requested department heads to come up with a proposal detailing the positions that will be cut.

Commissioner Hardeman stated that he liked the idea of selling property to the Olympic Club, he did not like the equity transfers from the Water Department and Hetch Hetchy, he was opposed to deferral of the Trust Fund payment and opposed to service cuts.

Commissioner Makras suggested that the Commission consider other cost saving measures such as: re-estimating the cost of fuel; removing the restrictions on liquor and tobacco advertisement; consider reducing management and supervision by 25% in those categories of four or more like positions; and eliminating travel without the approval of the Commission.

Commissioner Makras moved and Commissioner Hardeman seconded, to recommend to the Mayor the following package:

Sale of Water Department Land	\$2.2 million
Defunding of the Hetch-Hetchy Filtration Project	5.0 million
Recalculation of Hetch-Hetchy Revenues	5.0 million
Reduction in Muni and PUC Administration	<u>2.8 million</u>
Total	\$15.0 million

Commissioner Carson spoke in opposition to the motion and stated that she believed the land was under valued.

President Chin asked for an assurance from the Mayor's Office that if the City's \$64 million deficit is reduced that the PUC's portion would also be reduced. Teresa Serata, Budget Director for the Mayor, replied affirmatively.

On the motion, Commissioners Chin, Makras and Jefferson voted aye, Commissioners Carson and Hardeman voted no.

Commissioner Carson requested that the Mayor's Office provide the Commission with a preliminary response regarding the equity transfers.

Mr. Elzey said a list of program items from the bureaus and the Municipal Railway will be provided to the Commission which will outline what positions are to be cut, the number of staff in those positions and the dollar amount associated with the cuts.

THEREUPON THE MEETING WAS RECESSED TO TUESDAY, SEPTEMBER 15, 1992 AT A PLACE TO BE DETERMINED: 1:45 P.M.

ROMAINE A. BOLDRIDGE
Secretary

2

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

RECESSED MEETING

Room 2C, City Hall

2:00 P.M.

September 15, 1992

COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DEPARTMENTS

Hetch Hetchy Projects

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and Construction
Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey
GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

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Call to Order: 2:20 p.m.

Present: President Gordon Chin, Vice President Victor G. Makras, Commissioner James D. Jefferson, Commissioner Patricia A. Carson, Commissioner Michael E. Hardeman

IMPACT OF STATE BUDGET ON THE 1992-93 PUC BUDGET (Continued from the recessed meeting of September 11, 1992)

Thomas J. Elzey, General Manager, Public Utilities Commission, gave a recap of the Mayor's request to reduce PUC's budget by \$15 million and the Commission's request to review the recommendation to transfer equities in the amount of \$7.2 million from Hetch-Hetchy and Water Department and to look at the bureaus and propose adjustments that will accomplish a savings of \$2.8 million.

Mr. Elzey presented two proposals reflecting the Commission's directions. One package showed a proposed organizational structure creating new divisions, a Finance and Administrative Division, and a Utilities Engineering Division in addition to the Commission Secretary.

Mr. Elzey presented the concept of the new Finance and Administration Division and suggested collapsing of Finance, BMIS, Contract Management and Personnel under one division. This proposal would save \$3.5 million on an annual basis and would eliminate approximately 50 positions. The department's ability to continue processing documents on time will be impaired and it may jeopardize processing of grant applications when these positions are cut. In the Personnel Bureau, the Examinations Unit would be eliminated and two positions from the current Examination Unit would be shifted back to Civil Service through the work order process and several positions in the Equal Employment Opportunity unit would be eliminated. In the Bureau of Management Information Systems (BMIS), he proposed to contract that unit by downgrading one position and eliminating five positions. This would require shifting of system maintenance for the Vehicle Maintenance System back to the Municipal Railway. The Municipal Railway will use existing staff to support the operations. In the Contract Compliance unit, the proposal would eliminate one existing position and combine positions currently in the Utilities Engineering Bureau and the Municipal Railway. The Bureau of Health & Safety functions will be shifted to the Municipal Railway. Two positions will be eliminated from the current staff of five people. The Bureau of Energy Conservation function will be shifted to Hetch-Hetchy. In the Security and Protective Services unit, the proposal would downgrade one position and delete two others and reduce funding for the Burns Security Agency contract. The reproduction function would also be eliminated thereby eliminating services such as photography and printing of bus schedules, public notices regarding route changes, and job announcements. These printing jobs will have to be done somewhere else.

The proposed Utilities Engineering Division would include project management, engineering and construction functions and would provide services to all operating departments. The management information services function of the Utilities Engineering Bureau will be allocated and shifted to the Bureau of Management Information Systems within the Utilities Engineering Division. The surveying and inspection functions will be transferred back to the Deputy General Manager. This proposal eliminates 23 positions and would mean delays and diminution of service in processing grant items and various documents.

The proposal for the bureau restructuring will achieve a total annual savings of \$3,185,120 in salary and benefits.

Johnny B. Stein, General Manager, Municipal Railway, presented the staff recommendations to the Commission that would achieve a \$1.4 annual savings. The proposal would: eliminate the Community Affairs Division and shift its management to the General Manager of the Municipal Railway; eliminate telephone services to weekday shift of 8-5; reduce engineering staff; reduce staff in the Transportation division; and eliminate six positions in the Maintenance Division. Mr. Stein discussed the proposal's impact on the Municipal Railway's day-to-day operations. He suggested that he would like to prepare an alternative recommendation that will realize the same \$1.4 million savings reported in the staff proposal.

Commissioner Makras pointed out that when service reduction is proposed, we should consider how to better manage the system and at the same time provide fair and equal service to the public. Mr. Stein said there is a procedure they follow when there is service reduction. They consider the overall demand, ridership and parallel lines. He said this procedure was considered in developing the service cuts proposal.

Commissioner Jefferson asked staff to elaborate on how restructuring the finance administration can jeopardize federal and state grants. He was concerned that with reduced staff, PUC may not be able to comply with federal and state regulations relating to grants which may result in the City losing these grants. Michelle Witt, Director of Finance, stated that there is a federal regulation concerning audits that requires the Municipal Railway to comply. There is also the need to comply with the City Charter's requirements related to audits.

Commissioner Makras, in response to the proposed restructuring, said that he believes the result of restructuring the departments is uncertain. He suggested that the Commission proceed by reviewing each line item on the proposal, consider the functions to be eliminated and services to be reduced rather than jeopardizing the smooth operation that is already in place.

President Chin agreed that the Commission ought to review the proposals in detail and in a broader context. He stated that there is a need to differentiate the issue of the budget reduction, where the \$2.8 million savings is coming from, and the organizational structure. He stated that the Mayor did not ask the Commission to restructure the PUC but merely asked for organization charts of each operating department. He said the deliberation of the staff and the Mayor's office should continue in the context of the budget cycle in light of the timeframe that has been established.

Commissioner Hardeman expressed his opinion that in the proposed organization there seems to be a shift of power from the departments to the General Manager.

President Chin asked Teresa Serata, Co-Budget Director for the Mayor's Office, what would happen to the detailed departmental budget if additional revenues are identified after the budget is implemented by the Board of Supervisors. Ms. Serata responded that if additional revenues were realized, a department could ask to restore some of the cuts and this could be done through establishing a list of priorities for restorations.

Commissioner Carson asked Ms. Serata which of the proposals she thought would be acceptable, or not acceptable, to the Mayor. Ms. Serata discussed the legal implications of the proposed equity transfer from the Water Department. With respect to the Hetch-Hetchy equity transfer, she stated that the \$2.5 million is applicable although it is risky in view of the current drought situation. She said that the Mayor is concerned with the proposed sale of land to the Olympic Club. The Mayor's staff will discuss these matters with the City Attorney to see if these are viable sources of funds. Ms. Serata stated that the Mayor would favor service cuts instead of the \$2.5 million Hetch Hetchy equity transfer. Ms. Serata indicated that the Mayor is cautious of fare increases and is concerned about raising the fares twice in this budget year. She further stated that in the event other revenues or options are realized they will reduce PUC's contributions. At this time they do not know of any revenues to rescue the City from the budget shortfall.

Commissioner Jefferson asked the extent of flexibility on the proposed staff reductions. Ms. Serata indicated that she will talk to the Controller because the Controller was specific that he would like to see the position details of downgraded or eliminated positions to allow flexibility in position adjustments. These position details will still be reviewed by the Civil Service Commission.

John Mullane, General Manager, Water Department, expressed his concerns with the transfer of bureau functions without technical supervision. He is concerned about the transfer of the examination function back to the Civil Service Commission and losing the flexibility to fill vacancies timely because they have to compete with all the rest of the City departments. He is also concerned about the potential problem in audit compliance with a leaner finance section. He stated that the equity transfer is a less painful contribution to the \$15 million deficit and it will have no adverse impact on the operations of the Water Department.

President Chin asked whether the proposed savings to eliminate the examination unit would mean an increase in the Civil Service Commission budget. Mr. Elzey responded that two positions proposed for transfer will be work ordered to Civil Service but he did not have the opportunity to discuss the matter with the Civil Service Commission. Commissioner Makras stated this recommendation should not be considered without negotiating first with Civil Service. Andrea Gouridine, Manager, Bureau of Personnel and Training, stated that it was not originally recommended to work order these two positions.

Andy Moran, General Manager, Hetch-Hetchy, addressed the impact of the Bureau of Personnel and Training reduction to Hetch Hetchy. He stated that he did not favor the transfer of the examination unit to Civil Service because it would slow down the appointment process.

On the proposed sale of land, Commissioner Hardeman asked whether there is a way of giving priority to the existing tenant to buy the property. John Mullane responded that, legally, the sale has to be conducted by auction.

PUBLIC COMMENTS:

Norman Rolfe suggested exercising caution in implementing service cuts because it may result in losing ridership and increasing traffic activity in the city. He also suggested raising the general revenue by increasing gross receipts, property, hotel and corporate taxes.

David Pilpel stated that the proposals presented were not responsive to the Mayor's request because they reduce functions. He spoke about the legal implications of reducing salaries.

Bobby Brown, President, Transport Workers Union Local 250A, suggested looking at fare increases before service cuts.

Carol Isen, Local 21, stated that the proposals were not responsive to the Mayor's request. She suggested that the Commission consider the approach to eliminate PUC, centralize Water and Hetch Hetchy as separate agencies and leave Muni as a stand alone transportation agency.

Jano Oscherwitz of Local 790 stated that the positions recommended for cuts were people who are actually doing the work and not those people who are getting \$85,000 as was directed by the Mayor. She suggested a line by line check of those positions.

President Chin indicated his agreement with some of the statements by the public that the proposals were not responsive to the Mayor's request. He requested the departments to do an analysis of the functions of the bureaus and give comments about the bureau plan.

Commissioner Jefferson asked if PUC could get a response from the Mayor concerning ideas PUC should be looking at with regard to the budget reduction issue. Commissioner Carson indicated that she did not know what would be acceptable to the Mayor and it would help if the Mayor could provide this input.

Ms. Serata stated that the Mayor's staff had met with the bureaus and departments and advised them to review their organizational structures. She stated that the Mayor is interested in pursuing the idea that the three operating departments be stand alone departments. Commissioner Jefferson commented that the departments assumption of the bureaus responsibilities is not something that the Commission or the Mayor should pursue in this budget, but that that it should be looked upon as a long term budget evaluation. Ms. Serata said they anticipated this to happen in the 1993-94 budget.

Commissioner Jefferson suggested scheduling another meeting to review an alternative proposal from the Municipal Railway, look at any recommendations on the additional \$2.5 million in place of the Hetch Hetchy equity transfer, vote on what will constitute the elements of the \$2.8 million in administrative efficiencies, and look at alternatives to reduce the budget by either service reductions or a Muni fare increase.

Commissioner Makras suggested including in the elements of the \$2.8 million savings such areas as: review all supervisory positions throughout PUC and where there are four or more supervisors in the same category determine what cost savings will be achieved if supervision is reduced 25%; consider removing restrictions on liquor and tobacco advertising; eliminate beeper pay; eliminate emergency pay; freeze overtime pay; freeze equipment purchases; reduce use of City vehicles; and review the aspect of downgrading positions instead of firing people.

THEREUPON THE MEETING WAS RECESSED TO THURSDAY, SEPTEMBER 17, 1992 AT 9:00 A.M., AT A PLACE TO BE DETERMINED: 5:30 p.m.

Romaine A. Boldridge
Secretary

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MINUTES
PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

RECESSED MEETING

Room 282, City Hall

9:00 A.M.

September 17, 1992

COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DEPARTMENTS

Hetch Hetchy Projects

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and Construction
Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

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Call to Order: 9:20 a.m.

Present: President Gordon Chin, Vice President Victor G. Makras, Commissioner James D. Jefferson, Commissioner Patricia A. Carson, Commissioner Michael E. Hardeman

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

On the motion of Jefferson, seconded by Makras, the following resolution was adopted:

92-0266 Amending measures for reducing the 1992-93 budget by \$15 million.

VOTES: AYES - Chin, Makras, Carson, Jefferson

NOES - Hardeman

IMPACT OF THE STATE BUDGET ON THE 1992-93 PUC BUDGET (Continued from the meeting of September 15, 1992)

George Krueger, Utilities General Counsel, outlined an opinion describing how the Commission may act with regard to transfer of funds from Hetch Hetchy and the Water Department. His opinion also sets forth the rules for fund transfers; i.e., how funds can be spent, and how a surplus, if created or existing can be transferred to the general fund. A surplus can only be transferred to the general fund if the surplus exceeds 125% of the operating budget. Mr. Elzey said the Commission can re-evaluate the proposals in light of the financial data and schedule of capital programs and determine if it is consistent with the City Attorney's opinion.

Commissioner Makras suggested that staff re-evaluate the fund transfer proposal, scrutinize all capital projects, and set priorities of projects which should be funded. When a surplus is created, and if it exceeds the 125% criteria, a decision could be made to transfer that surplus to the general fund.

Teresa Serata, Budget Director for the Mayor's Office, spoke about the status of the Mayor's review of the PUC's proposed organizational structure. She suggested that the Commission consider the organizational issue in time for the coming 1993-94 budget review. Ms. Serata stated that as they prepare their final recommendation to the Mayor they will consider the \$2.8 million savings in efficiencies, either a combination of the PUC General Manager's recommendations and the Municipal Railway's recommendations, and possible savings resulting from the information requested by Commissioner Makras with respect to supervisor ratios and overtime costs.

Johnny Stein, General Manager, Municipal Railway, presented his budget proposal and discussed its impact on the Municipal Railway's daily operations. His proposal totals to an annual savings of \$1.4 million which will be achieved through eliminating or transferring some positions to grant funding sources. He stated that it is not certain that those positions recommended to be charged to grant funds will get funded. The proposal also included reducing the contract for engine rebuild services from \$600,000 to \$300,000 by bringing the work in-house and deferring wheelchair overhauls to avoid maintenance costs this year, saving \$50,000 in this year's budget.

Mr. Elzey stated that there is an opportunity to bring the Geary Boulevard Corridor Study in-house using a combination of Municipal Railway and City Planning staff. Commissioner Makras supported the idea and directed staff to work with the Department of City Planning and see how much expertise of the City Planning staff can be utilized and put out for bid any part of the work that cannot be done by either department. He stated that it is prudent to consider looking at one department to work with another department in order to save someone's job and still get the project completed.

Commissioner Makras stated that the Utilities Engineering Bureau should be self-sufficient and should start charging fees to different projects to increase the overhead recovery rate under the 1992-93 budget. Richard Brandt, Manager, Utilities Engineering Bureau, said that there are some people working on a job that could be directly charged to the project. He said there are some positions being charged to the operating cost which cannot be charged to grant funding, such as, most management and supervisory positions.

David Pilpel commented on the budget proposals. He suggested preparing an outline of objectives to maintain a high quality of service and decide how this objective can be funded. He stated that the proposal for the Water Department and the Municipal Railway puts the City in greater financial risks. He stated he did not oppose service reductions and fare increases.

Carol Isen of Local 21, Professional and Technical Engineers raised the issue of the proposal to eliminate three transportation planner positions.

Howard Straussner, Chair of the SF Group Transportation Committee, agreed with the Mayor's Fiscal Advisory Committee report.

Walter Graze, Acting Manager, Health & Safety, spoke about the impact of the proposed changes in the Health and Safety division.

Alice Fialkin of the Transport Workers Union, Local 200, suggested cutting positions at the management level.

Jano Oscherwitz of Local 790, commented that there were no upper management positions recommended for cuts. She urged the Commission not to consider the budget recommendations.

Carol Isen, representative of Local 21, opposed those engineering positions proposed to be cut. She suggested that a list of positions earning \$85,000 be made available to the public.

Ray Antonio, Transport Workers Union Local 250A, spoke about the impact of work rule changes.

Lawrence Martin, International Representative, Transport Workers Union, stated that the union had no intention of reopening its contract if there is no money on the table.

John Russo of the Bureau of Management Information Systems expressed his opposition to the proposed cuts in the bureau.

Commissioner Jefferson moved and Commissioner Makras seconded to accept the bureau proposal with the following amendments: (1) there will be no downgrading of positions unless the positions are being significantly reduced in terms of scope and responsibility; (2) reinstate the two positions in Health and Safety; (3) allow the General Manager of the Public Utilities Commission and the Manager of the Utilities Engineering Bureau to have flexibility with respect to the organizational aspects of the Utilities Engineering Bureau and hold this issue in abeyance for the time being.

The Commission voted 4-1 to adopt the bureau package as amended, with Commissioner Hardeman voting no. Commissioner Hardeman said that he did not favor the proposal because he felt that there should be more positions cut at the managerial level.

With respect to the Utilities Engineering Bureau, Commissioner Jefferson directed the General Manager of the Public Utilities Commission and the Manager of the Utilities Engineering Bureau, to work together and come up with a proposal to shift more costs to overhead and make the costs of capital projects reimbursable to UEB.

On motion of President Chin, seconded by Commissioner Jefferson, the Commission voted to adopt the Municipal Railway package presented by the General Manager of the Municipal Railway and to reinstate the two Transit Information Clerks in the Telephone Information Center of the Community Affairs Division, in order to maintain seven-day transit information service to the public. Commissioner Makras reiterated that a seven day operation is necessary for the transportation system to run efficiently and to better serve San Francisco's tourism industry.

Commissioner Makras stated that he would like to look at the middle management level to see if those positions can be downgraded to maintain the same number of workforce and avoid laying off people. Andrea Gourdine, Manager of the Bureau of Personnel and Training, stated that the Civil Service Commission will not permit downgrading of positions as long as the functions are not downgraded as well.

Commissioner Jefferson suggested that the Commission should revisit the issue that Commissioner Hardeman is concerned about to find ways to get to the level of bureaucracy as part of the next budget review.

Commissioner Carson asked Stuart Sunshine of the Mayor's Office, whether the Mayor will ask for an alternative proposal if one or any of the PUC's proposal is not satisfactory. Stuart Sunshine responded that he did not know whether the proposals will work.

THEREUPON THE MEETING WAS ADJOURNED: 12:20 P.M.

Romaine A. Boldridge
Secretary

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MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

September 22, 1992

COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DEPARTMENTS

Hetch Hetchy Projects

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and Construction
Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:10 p.m.

Present: President Gordon Chin, Vice President Victor G. Makras, Commissioner James D. Jefferson, Commissioner Patricia A. Carson, Commissioner Michael E. Hardeman

On motion of Commissioner Hardeman, seconded by Commissioner Jefferson, the Minutes of the Regular Meeting of September 8, 1992 and the Minutes of the Recessed Meeting of September 11, 1992 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

92-0267 FM Authorizing the Assistant General Manager of Finance to apply for, accept, and expend \$1,500,000 of FTA Surface Transportation Program capital assistance including the required local match funds to implement the Muni Fixed Facility Improvement Project.

VOTE: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

92-0268 FM Authorizing the Assistant General Manager of Finance, to seek a grant scope modification reducing the federal share of project cost in the Municipal Railway's Advanced Train Control System (ATCS) Project under FTA grant CA-03-0363.

VOTE: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

92-0269 FM Authorizing the Assistant General Manager of Finance to apply for, accept and expend \$17,647,059 of FTA Section 3 capital assistance to purchase trolley coaches.

VOTE: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0270 UEB Directing staff to develop a revised design for Municipal Railway Contract No. MR-895 for the construction of the J-M Platform and Trackway Improvement Project in accordance with the concept presented to the Commission by the Facilitator of the special committee, consisting of approximately 200 foot center track with a wye at each end, to be located south of San Francisco State University and elimination of the north track.

VOTE: AYES - Chin, Carson, Jefferson, Hardeman

 NOES - Makras

On motion of Makras, seconded by Hardeman, the following resolution was adopted:

- 92-0271 UEB Rejecting bid call for Municipal Railway Contract No. MR-895 for the construction of the J-M Platform & Trackway Improvement Project.

VOTE: AYES - Chin, Makras, Carson, Jefferson, Hardeman

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

- 92-0272 FM Requesting the Controller to allot funds and to draw warrants against such funds as are or will be available in payment of claims against the San Francisco Municipal Railway totaling \$80,000.00.

VOTE: AYES - Chin, Makras, Carson, Jefferson, Hardeman

On motion of Carson, seconded by Jefferson, the following resolution was adopted:

- 92-0273 FM Requesting the Controller to allot funds and to draw warrants against such funds as are or will be available in payment of claims against the San Francisco Water Department totaling \$26,000.00.

VOTE: AYES - Chin, Carson, Jefferson, Hardeman

 NOES - Makras

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

- 92-0274 UEB Approving Contract Modification No. 19 in the amount of \$397,955.00 to Municipal Railway Contract No. MR-869, Potrero Facility Rehabilitation, N. L. Barnes Construction Co., Inc., Contractor.

VOTE: AYES - Chin, Makras, Carson, Jefferson, Hardeman

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

- 92-0275 UEB Rejecting all bids received on July 28, 1992 for San Francisco Water Department Contract No. WD-2129, 12-Inch Ductile Iron Main Installation in Johnstone Drive, Medical Center Road, and Clarendon Avenue, and authorizes re-advertisement of this work as San Francisco Water Department Contract No. WD-2129R.

VOTE: AYES - Chin, Makras, Carson, Jefferson, Hardeman

On motion of Hardeman, seconded by Chin, the following resolution was adopted:

- 92-0276 MR Authorizing the General Manager of the Public Utilities Commission to negotiate an agreement with Wilbur Smith Associates for professional services to conduct the Bayshore Corridor System Planning Study, at a cost not to exceed \$400,000.

VOTE: AYES - Chin, Makras, Carson, Jefferson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0277 MR Approving the final San Francisco Municipal Railway Short Range Transit Plan and Capital Improvement Program for 1992-2001.

VOTE: AYES - Chin, Makras, Carson, Jefferson, Hardeman

On motion of Makras, seconded by Carson, the following resolution was adopted:

- 92-0278 MR Allowing members of the Armed Forces in uniform to ride Municipal Railway vehicles without payment of fares during Navy Fleet Week, October 10 through October 14, 1992.

VOTE: AYES - Chin, Makras, Carson, Jefferson, Hardeman

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

- 92-0279 MR Setting the date, time and place for a public hearing to consider revisions to the Municipal Railway fare schedules and service adjustments.

VOTE: AYES - Chin, Makras, Carson, Jefferson, Hardeman

On motion of Makras, seconded by Hardeman, the following resolution was adopted:

- 92-0280 WD Stating an intent to declare as surplus to the Water Department's operating needs the parcel located in San Francisco and San Mateo counties, which totals 17.35 acres, pending discussion and further review of information with the Director of Property.

VOTE: AYES - Chin, Makras, Jefferson, Hardeman

NOES - Carson

On motion of Hardeman, seconded by Carson, the following resolution was adopted:

- 92-0281 WD Authorizing the General Manager of the Water Department to execute the renewal of the agreement with the East Bay Regional Park District at a cost of \$30,000 for helicopter services for the prevention of fire and security trespasses on watershed lands in Alameda, Santa Clara, and San Mateo Counties for fiscal year 1992-93.

VOTE: AYES - Chin, Makras, Carson, Jefferson, Hardeman

On motion of Makras, seconded by Carson, the following resolution was adopted:

- 92-0282 WD Authorizing the General Manager of the Public Utilities Commission to modify the Professional Services Agreement for legal counsel with Howard, Rice, Nemerovski, Canady, Robertson & Falk extending the term to an additional three years commencing with the Controller's certification date for an amount not to exceed \$79,800.00 during FY 1992-93.

VOTE: AYES - Chin, Makras, Carson, Jefferson, Hardeman

On motion of Chin, seconded by Jefferson, the following resolution was adopted:

- 92-0283 WD Authorizing the General Manager of the Water Department to negotiate and execute a professional services agreement with CH2M HILL for an amount not to exceed \$1,000,000 for the development of a Groundwater Master Plan.

VOTE: AYES - Chin, Makras, Carson, Jefferson, Hardeman

On motion of Makras, seconded by Hardeman, the following resolution was adopted:

- 92-0284 FM Amending PUC Resolution #92-0224, committing the San Francisco Public Utilities Commission to provide local match financing equal to 20% of the total Surface Transportation Program (STP)/Congestion Management and Air Quality (CMAQ) cost of projects identified in the PUC's FY 93 Federal Transportation Administration (FTA) Capital and Operating Assistance Grant Application.

VOTE: AYES - Chin, Makras, Carson, Jefferson, Hardeman

On motion of Makras, seconded by Hardeman, the following resolution was adopted:

- 92-0285 UEB Denying the protest by Samsung/Mergentime and upholding their disqualification from bidding on the Muni Metro Turnaround construction contract.

VOTE: AYES - Chin, Makras, Carson, Jefferson, Hardeman

The Commission took the calendar out of order and discussed Items 8, 9 and 10 first and then proceeded to the report of the General Manager.

Resolution No. 92-0270 - Directing staff to develop a revised design for Municipal Railway Contract No. MR-895 for the construction of the J-M Platform and Trackway Improvement Project.

Resolution No. 92-0271 - Rejecting bid call for Municipal Railway Contract No. MR-895 for the construction of the J-M Platform & Trackway Improvement Project.

Don Birrer, facilitator for the special committee on the 19th Avenue Project, discussed the issues presented at the committee meetings, such as: safety (the platform was too narrow for handicap access); and, the railroad appearance the project will create in the neighborhood. He reported that the Committee had worked out a compromise to reduce the railroad appearance by using a center track rather than a pocket track. However, they did not actually arrive at a consensus. He recommended that the Commission reject the pocket track idea and request the Municipal Railway to redesign the project in a way that would accomplish the needs of the transit system and minimize the impact to the community.

John Herlihy, Chairman of the 19th Avenue Coalition, discussed the concerns of the Coalition such as safety issues and overhead wires going across 19th Avenue. He stated that none of the platforms conforms with the Americans with Disabilities Act. He said that what the compromise design proposes is still a pocket track. He stated that he is opposed to the wye concept of a 200 feet long track because it will provide capacity to store cars. He said the coalition would favor crossover tracks over the center track. Mr. Figone of the Municipal Railway described the concept of how center tracks and pocket tracks work. He stated that the compromise plan proposed by Mr. Birrer gives the department more elements of operating flexibility than crossover tracks. The compromise center track will be located between the S.F. State and Junipero Serra with a double wye design to enable cars to turn in both directions. Ken Jew of the Utilities Engineering Bureau said that it will take an additional seven months to revise the design.

President Chin commended Mr. Birrer, the staff and the neighborhood for their efforts regarding this project. President Chin mentioned the importance of the community's participation in the design process and discussion on the location alternative. Mr. Herlihy said the community will continue to communicate with the Public Utilities Commission and the Municipal Railway.

Bobby Brown, President of the Transport Workers Union Local 250A, asked why operator restrooms were not in the project. Mr. Elzey stated that the revised plan is to use Chevron's facilities. Commissioner Jefferson directed staff to include Local 250A in the discussion of the design.

On motion of Commissioner Jefferson, seconded by Commissioner Hardeman, the Commission voted 4-1 to direct staff to develop the design presented as the center track concept, eliminate the north track otherwise known as Stonestown track, and continue to meet with the Lakeside neighborhood to work towards reaching a compromise on those issues attendant to the project such as overhead wires and safety issues. Commissioner Makras voted no. He stated that he still sees the proposed center track as a pocket track, and that the Municipal Railway has not fully demonstrated the need for the project and has not met its mandate.

On motion of Commissioner Makras, seconded by Commissioner Hardeman, the Commission voted unanimously to reject the bid call for the J-M Platform & Trackway Improvement Project.

REPORT OF THE GENERAL MANAGER:

Status of the PUC 1992-93 Budget

Thomas J. Elzey, General Manager, Public Utilities Commission, reported that after the Commission acted to reduce the budget, the Mayor made further reductions, rejected the equity transfers, and directed that the Commission hold hearings to cut service. The Mayor intends to transfer money from the Water Department to the Fire Department and to require that the department achieve a savings of \$1 million through furloughs.

Teresa Serata, Budget Director for the Mayor, was asked to comment on the Mayor's changes to the PUC's budget proposal. She explained the changes that she made on administrative efficiencies were reflective of positions at the \$85,000 or senior management level as directed by the Mayor. She stated that the Mayor was unable to accept the equity transfer and lowered PUC's share in the budget shortfall to \$9.38 million. Furloughs were added. She stated that the Mayor will favor fare increases and service reductions to replace the equity transfers.

Commissioner Makras asked Ms. Serata whether the Mayor will accept the equity transfer from Hetch Hetchy and the Water Department if PUC were to meet the 125% rule. Ms. Serata responded that they will have to consult with the City Attorney's Office along with the sale of land proposal.

President Chin stated that PUC is obligated to state its best case in terms of the department's needs. He said he hopes to have a dialogue with the Mayor's office with regard to major budget issues such as: equity transfers, the land sale, the PUC's ability to go over position by position as long as the savings in administrative efficiencies is at the same level; the amount of the Muni fast pass increase and the service reductions. Ms. Serata stated that as long as the equity transfers will be considered as just a one time fix that the Commission takes responsibility to make up in the 1993-94 budget, she does not have any reservation in that respect.

Public Comments:

Linda Jofuku, of Local 21, expressed her concerns about the three 5212 Principal Engineer positions recommended for deletion from the budget. She suggested that the Commission look with more scrutiny the way things are funded and to review the accounting methods in order to preserve more positions. She said there are a large number of vacant positions in the budget.

Michelle Witt, Director of Finance, discussed the impact of the Mayor's package to the processing and approval of grant applications. Andrea Gourdine, Manager, Bureau of Personnel and Training, spoke about the implications of the proposal to demote the A490 position (Manager of Personnel & Training) to Senior Personnel Analyst (1272) which is a position used to manage a medium sized personnel operation. Other bureau managers who spoke about the impact of the Mayor's budget package were Richard Brandt, Manager of the Utilities Engineering Bureau; Hans Loffeld, Manager of the Bureau of Management Information System; and Kirk Lawson, Manager of Management Efficiency & Productivity, who spoke with respect to Health and Safety.

Commissioner Jefferson moved to direct the staff to analyze the implications associated with the Mayor's proposed budget cuts and to communicate them to the Finance Committee of the Board of Supervisors during the budget hearing. Commissioner Makras seconded and the Commission approved the motion unanimously. Commissioner Jefferson directed staff to request an opinion from the City Attorney on how the 125% rule can be met to implement a fund transfer.

Commissioner Makras moved to direct staff to submit to the Commission a package listing capital projects that can be deobligated to meet the 125% rule and cover the equity transfer. The Commission will then vote on the deobligation of the capital projects. Commissioner Makras seconded and the Commission voted unanimously to approve the motion.

Resolution No. 92-0279 - Setting the date, time and place for a public hearing to consider revisions to the Municipal Railway fare schedules and service adjustments.

The Commission voted to set a public hearing on October 15, 1992 at 6:00 p.m. in the Board of Supervisors Chambers in City Hall to consider fare increases and service reductions.

Resolution No. 92-0280 - Stating an intent to declare as surplus to the Water Department's operating needs the 17.35 acre parcel leased to the Olympic Club.

Commissioner Carson stated that she did not believe that this sale is in the best interest of the City. She said that it gives the existing lease holder the exclusive right to bid and she thinks that a reserved price should be determined before putting it out to bid. Tom Berliner, Deputy City Attorney, clarified that the bid has to be within 90% of the appraisal. Commissioner Makras recommended that the Commission state its intent to declare the land as surplus and that staff prepare a sale package and come back to the Commission so they can look at it as a whole.

Resolution No. 92-0285 - Denying the protest by Samsung/Mergentime and upholding their disqualification from bidding on the Muni Metro Turnaround construction contract.

Marilyn Klinger, counsel for Samsung/Mergentime was present to protest the disqualification of Samsung/Mergentime from bidding on the Muni Metro Turnaround construction contract. Samsung/Mergentime failed to submit the required financial information for the prequalification process. Ms. Klinger contended that they were disqualified based on differences in the interpretation of the language in the RFQ.

Angela Karikas of the City Attorney's Office outlined the reason of Samsung's disqualification from the bid process. The prequalification process required contractors to submit audited financial statements to make sure that the contractor is financially qualified to do the job. They were also given a reasonable time to comply with the requirements of the RFQ.

Commissioner Makras moved to deny the appeal, seconded by Commissioner Hardeman. Commissioner Hardeman stated that the staff handled the process properly and that Samsung, up to the time of this meeting, has not met the requirements of the RFQ.

Item No. 22: Requesting the Public Utilities Commission to approve the list of prequalified contractors and authorize the UEC to solicit price bids on the Muni Metro Turn around contract from the prequalified contractors.

This item was continued to the next regular meeting.

Mr. Derek D. Wong of Dillingham Construction requested that the Commission not delay the approval of the qualified bidders.

Public Comment:

David Pilpel suggested that PUC staff should work with the Department of City Planning on an environmental review with regard to the Muni service cuts. Mr. Elzey said they already have requested City Planning's opinion on that subject.

THEREUPON THE MEETING WAS ADJOURNED: 7:05 P.M.

Romaine A. Boldridge
Secretary

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

SPECIAL MEETING

Room 282, City Hall

2:00 P.M.

September 29, 1992

COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DEPARTMENTS

Hetch Hetchy Projects

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and Construction
Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Jill R. Thompson

ACTING SECRETARY

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Call to Order: 2:05 p.m.

Present: Vice President Victor G. Makras, Commissioner James D. Jefferson,
Commissioner Patricia A. Carson, Commissioner Michael E. Hardeman

Excused: President Gordon Chin

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0286 Approving the revised budget proposal to reduce PUC's budget for FY 1992-93 for submission to the Board of Supervisors.

VOTE: Makras, Jefferson, Carson, Hardeman

On motion of Makras, seconded by Hardeman the following resolution was adopted:

92-0287 Directing all new automobiles recently purchased be returned and stored, and directing the General Manager to bring to the Commission a vehicle policy and a disposition plan for the cars, and giving latitude to the General Manager to implement this directive.

On motion of Makras, seconded by Jefferson, the following resolution was adopted:

92-0288 Rescinding Resolution No. 92-0279, designating October 15, 1992 to hold a public hearing to consider possible amendments to the Municipal Railway Fare Schedule and/or possible reductions to Muni service.

This meeting was a special call by the Mayor's Office for the Public Utilities Commission to act on the revised budget proposal.

Commissioner Hardeman discussed his opinions about the responsibility of managing the Bureau of Protective Services since Mr. Chuck Richardson, Chief of Protective Services, is resigning. Mr. Thomas J. Elzey, General Manager, Public Utilities Commission, stated that they will shift the management of that operation to the Bureau of Management & Efficiency. Commissioner Makras requested Mr. Elzey to present a report on how to enhance the Burns security program and also review the costs of maintaining the services of the Burns security versus utilizing police forces. Mr. Elzey will provide the data at the next meeting.

The Commission discussed the proposed furlough program. Commissioner Makras suggested to start with a voluntary furlough program, and if the designated amount (\$1 million) is not reached, then to make furloughs mandatory across the board except for areas where it is not cost efficient. Commissioner Carson suggested a three-tiered approach to implement the furlough program. Commissioner Jefferson concurred with the idea but was concerned about implementing it across the board where the lower paid employees will be most affected. Commissioner Hardeman agreed to structure the furlough based on salaries.

The Commission agreed to implement the furlough program on a tiered basis; exempting people earning less than \$30,000 and those areas where double time and time and a half would be necessary to cover the work. The proposed tier structure will use \$30,000 as the base and those employees making \$85,000+ will take the maximum furlough. Mr. Elzey will do an analysis of the number of affected employees to determine how to generate the amount needed for furloughs and use the data to propose a furlough structure to the Commission.

Teresa Serata, of the Mayor's Office, stated that the Employees Relations Division and the Mayor's office were to meet and confer with various unions on this proposed change. She stated that before the furlough program is implemented it will require approval of the Civil Service Commission. She further stated that no guidelines or limits have been set and she suggested to look at the designated dollars first.

The Commission approved the revised budget proposal with an amendment to freeze the three 9139 Transit Supervisor positions. The revised package reduced PUC's budget by \$9.87 million which incorporates the following elements:

- o \$2.5 million from Hetch Hetchy
- o \$2.5 million from the Water Department
- o \$2.9 million Administrative Efficiencies & Personnel Cuts
- o \$975,000 in Furloughs
- o \$1 million transfer from the Water Department to the Fire Department AWSS

Public Comments:

Larry Martin, Transport Workers Union, suggested making the furlough program voluntary. He stated that the 9163 classifications are exempt since they already have three days included in their contract as excuse days without pay providing the manpower is in place to cover. He also stated that cutbacks in work time, such as the 9139 position would affect safety and security on the street and may affect the Clean, On Time Bus Program.

Carol Isen, Local 21, stated that top people in A classes were being protected at the expense of lower level employees. She asked why UEB management are still charging to overhead and what was the outcome of the Muni Engineering positions charged to grant funds.

Alice Fialkin, Transport Workers Union Local 200, suggested a freeze on the three 9139 positions but to leave them in the budget. Mr. Johnny Stein, General Manager, of the Public Utilities Commission, stated that they already have requested the Bureau of Finance to defund these positions.

William Taylor spoke about the elimination of his job. Michele Witt, Director, Bureau of Finance, stated that his position is not being deleted from the budget.

James Bryant, Local 790, opposed the layoffs and expressed his concern about the direction of the Commission if no agreements are reached with the various unions on the furlough issue. He suggested that the furlough be done equally among the workers.

Commissioner Makras brought up three issues such as; elimination of on-call pay across the board, freezing of overtime, and use of City vehicles. He recommended that the 40 new automobiles recently purchased be returned and put in storage and directed the General Manager of the Public Utilities Commission to report back to the Commission with a plan for the disposition of those cars and also provide a car policy. Commissioner Hardeman emphasized that all new vehicles except for one were approved by the prior Commission.

Commissioner Jefferson felt the need to establish policy and procedures on the use, purchase and maintenance of vehicles in the future but also recognized the need to take actions with regard to vehicles that are now allocated in the field. He suggested that the Commission direct the General Manager of the Public Utilities Commission to provide the inventory of vehicles as he previously requested. He also suggested that if there are surplus cars, to consider transferring them to other City departments, such as the Fire Department, who may have the need for additional vehicles.

The Commission unanimously voted to direct the PUC General Manager to provide an updated inventory of new vehicles, store the new vehicles, reassign old vehicles to staff and evaluate the current usage of those vehicles and to give latitude to the PUC General Manager to implement this directive in a manner that does not jeopardize the operations of the departments. Mr. Elzey stated that after the evaluation process should it be necessary to reassign the vehicles back into the fleet, the Commission will be informed.

The Commission set the next two regular meetings to resolve a final policy on the use of City vehicles. If a conclusion is not reached, the Commission will convene an executive session to deal with this matter.

John Mullane, General Manager, Water Department, discussed his concerns regarding standby pay and overtime pay. He stated that if standby pay was cut there was no guarantee that employees would respond in times of emergencies. He stated that he had opened discussions with the plumbers union regarding beeper pay. With regard to overtime, Mr. Mullane stated that he handled abuses as they are brought to him, and he did not wish to jeopardize the entire operation because of a handful of abusers.

The discussion of the standby and overtime issues was continued to the next meeting. The Commission also directed the PUC General Manager to provide a quarterly report on overtime utilization which will include data such as: how much overtime was used, and the purpose of the overtime work.

The Commission voted unanimously to rescind the resolution passed at the Commission meeting of September 22, 1992 which set a date and place to hold a public hearing to consider Muni fare increases and service reductions.

THEREUPON THE MEETING WAS ADJOURNED: 3:30 p.m.

Jill R. THOMPSON
Acting Secretary

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

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OCT 23 1992

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REGULAR MEETING

Room 282, City Hall

2:00 P.M.

October 13, 1992

COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DEPARTMENTS

Hetch Hetchy Projects

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and Construction
Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:10 p.m.

Present: President Gordon Chin, Vice President Victor G. Makras, Commissioner James D. Jefferson, Commissioner Patricia A. Carson, Commissioner Michael E. Hardeman

On motion of Commissioner Hardeman, seconded by Commissioner Jefferson, the Minutes of the Recessed Meetings of September 15, 1992 and September 17, 1992, the Minutes of the Regular Meeting of September 22, 1992, and the Minutes of the Special Meeting of September 29, 1992 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Makras, seconded by Hardeman, the following resolution was adopted in executive session:

92-0289 BF Approving settlement in the case of Gertrude Esser v. CCSF et al., Superior Court No. 938-742.

VOTES: AYES - Chin, Makras, Carson, Jefferson, Hardeman

On motion of Chin, seconded by Jefferson, the following resolution was adopted in executive session:

92-0290 BF Approving settlement in the case of Anthony Kent v. CCSF et al., Superior Court No. 927-114.

VOTES: AYES - Chin, Carson, Jefferson

NOES - Makras, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0291 BF Authorizing the Assistant General Manager of Finance to apply for a grant amendment to FTA Grant CA-90-X422, revising the project scope to include acquisition of 700 Pennsylvania as a replacement site for the 24th and Utah shops.

VOTES: AYES - Chin, Carson, Jefferson, Hardeman

ABSENT - Makras

On motion of Commissioner Hardeman, seconded by Commissioner Jefferson, the following resolution was adopted:

- 92-0292 BF Acknowledging that a formal, duly noticed public hearing was held on October 13, 1992, on the subject of the Municipal Railway's FTA Section 9 operating assistance of \$7.6 million for FY 93.

VOTES: AYES - Chin, Carson, Jefferson, Hardeman

ABSENT - Makras

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

- 92-0293 BF Requesting the Controller to allot funds and to draw warrants against such funds as are or will be available in payment of claims against the San Francisco Municipal Railway totaling \$192,046.60.

VOTES: AYES - Chin, Carson, Jefferson, Hardeman

ABSENT - Makras

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

- 92-0294 BF Approving collection of charges from miscellaneous debtors for the months of July and August 1992.

VOTES: AYES - Chin, Carson, Jefferson, Hardeman

ABSENT - Makras

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

- 92-0295 UEB Authorizing bid call for Hetch Hetchy Contract No. HH-832, San Joaquin Pipeline No. 2, Repair Mortar Lining, Segment III.

VOTES: AYES - Chin, Carson, Jefferson, Hardeman

ABSENT - Makras

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

- 92-0296 UEB Authorizing bid call for Hetch Hetchy Water and Power Contract No. HH-833, Trolley Pole Replacement Project.

VOTES: AYES - Chin, Carson, Jefferson, Hardeman

ABSENT - Makras

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

- 92-0297 UEB Authorizing bid call for San Francisco Water Department Contract WD-2140, Backfilling of Pipe and Miscellaneous Repairs.

VOTES: AYES - Chin, Carson, Jefferson, Hardeman

ABSENT - Makras

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

- 92-0298 MR Accepting the work performed under Municipal Railway Contract No. MR-1019, Presidio Shop - Hydraulic Lifts Replacement, as satisfactorily completed; approving Contract Modification No. 2 in the amount of \$4,897.85; authorizing an extension of time for unavoidable delays of 280 calendar days; and authorizing final payment in the amount of \$55,280.50 to the Contractor, Petroleum Engineering, Inc.

VOTES: AYES - Chin, Carson, Jefferson, Hardeman

ABSENT - Makras

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

- 92-0299 UEB Approving Debit Contract Modification No. 11 in the amount of \$119,796.00 to San Francisco Water Department Contract WD-2060, San Andreas Water Treatment Plant Expansion No. 2; Contractor: S.J. Amoroso Construction Co., Inc./Verrett Construction Company, Inc.

VOTES: AYES - Chin, Carson, Jefferson, Hardeman

ABSENT - Makras

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

- 92-0300 PT Approving non Civil Service and temporary appointments and removals ordered by the General Manager of the Public Utilities Commission.

VOTES: AYES - Chin, Carson, Jefferson, Hardeman

ABSENT - Makras

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

- 92-0301 MR Authorizing the General Manager of the Public Utilities Commission to execute an agreement with Wilbur Smith Associates for professional services to conduct the Bayshore Corridor System Planning Study, at a cost not to exceed \$400,000.

VOTES: AYES - Chin, Makras, Carson, Jefferson

ABSENT - Hardeman

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

- 92-0302 MR Authorizing the General Manager of the San Francisco Municipal Railway to execute a revenue sharing/transfer agreement with the Peninsula Corridor Joint Powers Board, with full reimbursement to the Municipal Railway of the joint single trip ticket at the prevailing adult fare.

VOTES: AYES - Chin, Makras, Carson, Jefferson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0303 WD Authorizing the General Manager of the Water Department to execute a Memorandum of Understanding with the County of San Mateo for the purpose of extending and managing the Public Recreation Trails System on the Peninsula Watershed Lands.

VOTES: AYES - Chin, Makras, Carson, Jefferson, Hardeman

ABSENT - Makras

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0304 HH Authorizing the General Manager of the Public Utilities Commission to execute Modification No. 6 to the agreement with Brian E. Gray, Attorney at Law for legal services, increasing the amount of the contract by \$18,000, and extending the term of the contract to December 31, 1995.

VOTES: AYES - Chin, Makras, Carson, Jefferson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0305 HH Authorizing the General Manager of Hetch Hetchy Water and Power to execute the Third Amendment to the agreement with Murray, Burns and Kienlen, Inc. for professional engineering services, and extending the term of the contract to December 31, 1995.

VOTES: AYES - Chin, Makras, Carson, Jefferson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0306 HH Directing the City Attorney to amend and assign the Commission's contract for legal services with the law firm of Vinson & Elkins to Metzger, Hollis, Gordon & Mortimer with a contract amount not to exceed \$399,000, less any money owed to Vinson & Elkins.

VOTES: AYES - Chin, Makras, Carson, Jefferson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0307 HH Authorizing the General Manager of the Public Utilities Commission to execute agreements with Hooper, Hooper Owen and Washington & Christian for lobbying services with a contract term of December 31, 1992 and retainers not exceeding \$45,000, plus \$5,000 for expenses, for Hooper, Hooper Owen, and \$18,000, plus \$2,000 for expenses, for Washington & Christian.

VOTES: AYES - Chin, Makras, Carson, Jefferson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0308 HH Authorizing the General Manager of the Public Utilities Commission to execute a Third Amendment to the Professional Services Agreement with Peter Moyle, Ph.D. to provide professional services on matters related to the Bay-Delta Hearings, extending the contract term to December 31, 1995.

VOTES: AYES - Chin, Makras, Carson, Jefferson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0309 HH Authorizing the General Manager of Hetch Hetchy Water & Power to modify and execute the Fourth Amendment to the agreement with Jackson Research Project (JRP) to increase the contract amount by \$38,000, for the total funding not to exceed \$432,240, and authorizing extension of the contract term until December 31, 1995.

VOTES: AYES - Chin, Makras, Carson, Jefferson, Hardeman

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

- 92-0310 UEB Approving the list of prequalified contractors and authorizing the Utilities Engineering Bureau to solicit from these contractors price bids on the MUNI Metro Turnaround construction contract.

VOTES: AYES - Chin, Makras, Carson, Jefferson, Hardeman

On motion of Makras, seconded by Jefferson, the following resolution was adopted:

- 92-0311 BEC Authorizing the Bureau of Energy Conservation to apply for, accept, and expend grant funds up to a maximum of \$100,000 for the purpose of preparing a comprehensive Local Energy Shortage Response Plan (LESRP) for the City and County of San Francisco.

VOTES: AYES - Chin, Makras, Carson, Jefferson, Hardeman

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

92-0312 BF Authorizing execution of a full funding grant agreement with the Federal Transit Administration for the Municipal Railway Metro Turnback Project.

VOTES: AYES - Chin, Makras, Carson, Jefferson, Hardeman

Announcement:

President Chin announced that the Commission met in executive session immediately before the regular meeting and approved settlements in the case of Gertrude Esser vs. City and County of San Francisco, and the case of Anthony C. Kent vs. City and County of San Francisco.

New Business:

Commissioner Hardeman moved to call a special meeting on Thursday, October 15, 1992 at 9:00 a.m. to discuss the tenure of the General Manager of the Public Utilities Commission. Commissioner Carson seconded. On the motion, Commissioners Hardeman, Carson and Makras voted aye, President Chin and Commissioner Jefferson voted no.

Commissioner Makras requested the appropriate departments to provide to the Commission a list of houses rented out by PUC including their description, the size of the house, and the rental amount.

Report of the General Manager:

Thomas J. Elzey, General Manager, Public Utilities Commission, submitted a memorandum to the Commission discussing the current status of the review of automobile use in the Public Utilities Commission. Mr. Elzey stated that he will provide a complete inventory of automobiles and the disposition of these automobiles at the next scheduled meeting. He will also provide the policy governing the use of automobiles at that time.

Johnny Stein, General Manager, Municipal Railway, discussed the issue of the reliability of the LRV fleet and the necessity to replace the vehicles. Phil Adams, Deputy General Manager, discussed the problems and the actions taken by staff to keep the system operating. Commissioner Makras expressed his concerns about whether the Municipal Railway had planned for, and budgeted for, major vehicle overhauling. Mr. Adams stated that the replacement cost was identified in the operating budget but was funded through an alternative funding source.

President Chin requested staff to submit a detailed written report on the actual amount of overtime used for the LRV fleet versus the amount originally planned.

Phil Adams, Deputy General Manager, Municipal Railway, reported on the continuing success of the Clean Bus Program.

Public Hearing - Resolution No. 92-0291: Authorizing the Assistant General Manager of Finance to apply for a grant amendment to FTA Grant CA-90-X422, revising the project scope to include acquisition of 700 Pennsylvania as a replacement site for the 24th and Utah shops.

Michelle Witt, Director, Bureau of Finance, discussed the reasons behind the change in the project scope. Ms. Witt stated that the acquisition of 700 Pennsylvania was considered as an alternative site because of the delay in the acquisition of the Islais Creek property as a replacement site for the 24th and Utah shops. She further stated that 700 Pennsylvania is for sale and provides an already existing structure.

Commissioner Hardeman moved to adopt the resolution and Commissioner Jefferson seconded. President Chin directed staff to provide information on the cost/benefit of the scope change and its impact on the operations.

David Pilpel stated that he opposed the amendment and was concerned that this change will just facilitate the building of a parking garage for the General Hospital at the Municipal Railway's expense. Mr. Elzey stated that he had discussions with the Mayor's Office and the Parking Authority about this matter. He emphasized that the acquisition of 700 Pennsylvania will facilitate the consolidation of shop functions and will create more efficient shops. Michelle Witt clarified that the Department of Parking and Traffic will pay the Municipal Railway \$2 million for the 24th and Utah property.

Public Hearing - Resolution No. 92-0292: Acknowledging that a formal, duly noticed public hearing was held on October 13, 1992, on the subject of the Municipal Railway's FTA Section 9 operating assistance of \$7.6 million for FY93.

David Pilpel asked about the status of the change machines. Johnny Stein responded that there are still some areas that have not been resolved regarding the change machines. The machines which had been selected do not conform to the new Americans with Disabilities Act.

Samuel Ganczaruk stated that the 24th and Utah building is over 95 years old and is not seismically sound. He also shared some ideas about the change machines.

James Bryant, Local 790, stated that any change in the duties of Station Agents is a meet and confer issue. There are still a number of problems which need to be resolved, such as weekend service and the inconsistency in providing manpower resources. He said that he had written the Municipal Railway regarding the status of the change machines and he has not yet received a reply.

Resolution No. 92-0301: Authorizing the General Manager of the Public Utilities Commission to execute an agreement with Wilbur Smith Associates for professional services to conduct the Bayshore Corridor System Planning Study.

Commissioner Jefferson requested that staff plan a workshop to provide an opportunity to discuss the scope of work in greater detail before the consultant actually begins work.

Item No. 14: Declaring that the parcel located in San Francisco and San Mateo counties, which totals approximately 17.35 acres, is surplus to the Water Department's operating needs, and authorizing the Director of Property to prepare necessary legislation for enactment by the Board of Supervisors and to conduct the sale of the subject property at public auction.

Christine Morioka of the Water Department discussed the procedures under which the sale of the land currently leased to the Olympic Club will be conducted: (1) the Director of Property determines and confirms with the Department of City Planning that the sale of the land conforms with the master plan; (2) a written notice is sent to other City agencies to determine if the land is usable to them; (3) legislation is forwarded to the Board of Supervisors to permit the sale of the land at an auction and establish the minimum bid; and (4) confirmation of auction results by the Board of Supervisors and close of the sale.

Ms. Morioka stated that the sale of the land is in conformity with the master plan based upon a letter from the Department of City Planning in 1990, which was recently confirmed with the City Attorney's Office. She said that the Director of Property does not anticipate any agency could have a use for the property because of the fact that the property is zoned as an open space area. President Chin asked about the Department of Recreation & Park's lien on the property. Ms. Morioka pointed out that the discussions were on the surface rights vs. underground rights and involved Lake Merced having the restrictions. Ms. Morioka stated that the Department of Recreation and Park could still communicate its interest on the property through the Director of Property. The Department of Recreation & Park, or any agency interested in the property, would be required to describe how they intended to use the land and that the use conforms with the master plan. Also they must show that they can afford to maintain the property.

Commissioner Jefferson requested that the Commission be advised as to how the value of the property was established. Commissioner Makras stated that the property was valued at \$2.2 million which he believed to be an adequate appraisal. Commissioner Carson stated she would like to meet with the Director of Property in an executive session to review the documents included in the appraisal.

The item was continued to the next regular meeting to provide an opportunity for the Commission to hold an executive session with the Director of Property.

David Pilpel expressed his concerns regarding the process of the sale and the time frame. He stated that the Department of Recreation & Park may be interested and could delay the process. He further stated that any revenue from the sale should go to the Water Department's general fund.

Public Comments:

David Pilpel expressed his concerns about such items as cellular phones, beepers, and pagers afforded to some employees. He suggested that the budget plans for next year should be discussed earlier. He discussed his concerns about the LRV fleet.

Samuel R. Ganczaruk complimented Mr. Johnny Stein, General Manager, and Kathy Gilbert, Deputy General Manager, of the Municipal Railway for improving service on the 33 Balboa line. He suggested that Community Affairs telephone operators provide information regarding schedule changes since bus schedules will no longer be printed. He also suggested that the Municipal Railway review the schedule of owl service and various lines on the Van Ness corridor to even out service.

THEREUPON, THE MEETING WAS ADJOURNED: 4:05 P.M.

Romaine A. Boldridge
Secretary

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MINUTES
PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

SPECIAL MEETING

Room 287, City Hall

9:00 A.M.

October 15, 1992

COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

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DEPARTMENTS

Hetch Hetchy Projects

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and Construction
Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 9:05 a.m.

Present: President Gordon Chin, Vice President Victor G. Makras, Commissioner James D. Jefferson, Commissioner Patricia A. Carson, Commissioner Michael E. Hardeman

President Chin stated that at the October 13, 1992 meeting, the Commission voted to hold an executive session on the tenure of the General Manager. A public hearing was requested by the General Manager. Subsequent to that, the General Manager requested an executive session. President Chin adjourned the meeting to an executive session at 9:06 a.m.

At 9:50 a.m. President Chin reconvened the meeting.

President Chin read the following prepared statement:

"The Public Utilities Commission has just met in Executive Session. As any Commission, we as Commissioners (individually and collectively) may disagree from time to time on particular PUC issues and decisions made. However, there were no accusations or charge, shared at our meeting regarding the performance of the General Manager and the issue of the General Manager's performance is not an issue of concern to the Commission.

The Commission decided unanimously to take no action regarding the tenure of the General Manager of the Public Utilities Commission."

Thereupon the meeting was adjourned: 9:51 a.m.

Romaine A. Boldridge
Secretary

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MINUTES
PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

October 27, 1992

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COMMISSIONERS

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Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DEPARTMENTS

Hetch Hetchy Projects

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and Construction
Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey
GENERAL MANAGER

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Romaine A. Boldridge

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SECRETARY

Call to Order: 2:00 p.m.

Present: Vice President Victor G. Makras, Commissioner James D. Jefferson,
Commissioner Patricia A. Carson, Commissioner Michael E. Hardeman

Excused: President Gordon Chin

Vice President Victor Makras presided.

On motion of Commissioner Jefferson, seconded by Commissioner Carson, the Minutes of the Regular Meeting of October 13, 1992 and the Minutes of the Special Meeting of October 15, 1992 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0313 MR Approving January 1, 1993 as start date to implement the Municipal Railway's On-Time Rebate Program.

VOTES: AYES - Makras, Carson, Jefferson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0314 BF Requesting the Controller to allot funds and to draw warrants against such funds as are or will be available in payment of claims against the San Francisco Municipal Railway totaling \$17,000.00.

VOTES: AYES - Makras, Carson, Jefferson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0315 UEB Accepting the work performed under Hetch Hetchy Water and Power Contract No. HH-827, Moccasin Afterbay Improvements, approving Credit Contract Modification No. 1 in the amount of \$2,808.94; authorizing an extension of time for unavoidable delay of 53 calendar days; and authorizing final payment in the amount of \$4,417.28 to the contractor, Cunningham & Sons, Inc.

VOTES: AYES - Makras, Carson, Jefferson, Hardeman

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

- 92-0316 GM Approving the Second Amendment to the Agreement between the City of San Francisco Public Utilities Commission and Harding Lawson Associates, for environmental consulting services, to increase the total spending authority from \$600,000 to \$1,100,000 to provide funding for toxics remediation work at the Municipal Railway's 24th and Utah site.

VOTES: AYES - Makras, Carson, Jefferson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

- 92-0317 WD Amending the lease agreement between the City and County of San Francisco, as Lessor, and Kollreal, as lessee, for 2.27 acre portion of Water Department lands located adjacent to 550 Weddell Drive, Sunnyvale, California, by reducing the leased area from 2.27 acres to 1.10 acres and proportionately reducing the monthly rent from \$1,728 to \$837.86, effective January 1, 1993.

VOTES: AYES - Makras, Carson, Jefferson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

- 92-0318 WD Approving the terms and conditions and authorizing the execution of the lease of approximately .71 acres of land located in Santa Clara County adjacent to 531 Weddell Drive, Sunnyvale, California, to the Roman Catholic Bishop of San Jose, as Lessee, for an initial term of ten (10) years, commencing on January 1, 1993 and terminating on December 31, 2002, with four 5-year options, at an initial rent of \$10,200 per year.

VOTES: AYES - Makras, Carson, Jefferson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0319 WD Requesting the transfer of \$1,100,000 from Fund 32-891 Project 103-01 Main Replacements to Fund 32-891 Project 104-01 Service Renewals from the proceeds of 1991 Water Revenue Bonds.

VOTES: AYES - Makras, Carson, Jefferson, Hardeman

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

- 92-0320 WD Authorizing the General Manager of the San Francisco Water Department to amend the professional service agreement with EDAW, Inc. to perform Phase II of the Watershed Management Plans/Program Environmental Impact Reports Project at a cost not to exceed \$750,000, bringing the current contract amount to \$1,080,000.

VOTES: AYES - Makras, Carson, Jefferson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0321 UEB Authorizing the Manager of the Utilities Engineering Bureau to execute an amendment to the Professional Services Agreement with Foster-Jordan Associates, for construction support services, in the amount of Four Hundred Thousand Dollars (\$400,000.00), thereby increasing the total fee to One Million Seven Hundred Thousand Dollars (\$1,700,000.00).

VOTES: AYES - Makras, Carson, Jefferson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

- 92-0322 UEB Awarding the San Francisco Water Department Contract No. WD-2134, CDD Summit Pump Station Standby Generator and Related Work, in the amount of \$395,020.00 to Cresci Electric Inc., as the lowest possible bidder.

VOTES: AYES - Makras, Carson, Jefferson, Hardeman

New Business:

President Makras discussed the list of housing facilities rented out to employees. He stated that the rental rates for these facilities were very low and he was concerned that the City does not recover its costs from the rentals. He made a motion to direct staff to provide the Commission with the current market rental rates for all of the housing facilities and to provide recommendations on the manner of implementation to increase the rentals to market rates. Also, staff may include recommendations for discounted rates to encourage City employees to live or continue living close to their worksites. Commissioner Jefferson seconded. John Mullane, General Manager of the Water Department, suggested that the evaluation process be referred to the Real Estate Department. The motion was unanimously approved, and staff was directed to report to the Commission within two months.

Report of the General Manager:

Michelle Witt, Director, Bureau of Finance, was acting General Manager of the Public Utilities Commission in the absence of Mr. Thomas J. Elzey.

On-Time Rebate Program

Mr. Johnny Stein, General Manager, Municipal Railway, described how the On-Time Rebate Program would work. The On-Time Rebate Program would provide rebates to passengers whenever Muni buses are more than 15 minutes late. Cash passengers will be given free rides on the spot and Fast Pass holders will get a rebate coupon for a \$1.00 discount on the next purchase of their Fast Pass, for a maximum discount of \$5.00.

Mr. Stein recommended the implementation of the On-Time Rebate Program on January 1, 1993 due to heavy traffic situations during the holiday season. Commissioner Jefferson moved to accept the recommendation to start the program on January 1, 1993 and to provide discounts to holders of half monthly passes on a pro-rated basis. Commissioner Hardeman seconded. The motion was unanimously approved.

Work Furlough

Michelle Witt, Acting General Manager, reported on the status of the work furlough program. She stated that the proposed revision to the Civil Service Commission's rules, to allow involuntary time off at the discretion of the department head, may not materialize because of opposition from various labor unions. The Controller has requested that staff submit a plan to meet the \$975,000 furlough target. The Mayor's Office has implemented a hiring freeze pending development of an alternative to furlough.

Ms. Witt reported that surveys were sent to all PUC employees to see how much interest there is in a voluntary furlough program. Ms. Witt said that she would report to the Commission at the next meeting regarding the survey results. President Makras requested that staff also layout all the options at that time.

Jano Oscherwitz, Local 790 stated that members of the Local 790 are willing to support the voluntary furlough program if there will be a commitment of no layoffs.

Automobile Use

Anson Moran, General Manager, Hetch Hetchy, reported that the department now has only 14 vehicles allowed to be taken home. These vehicles are assigned to employees who would be responsible for responding to emergency calls.

John Mullane, General Manager, Water Department, reported that the Water Department reduced the number of vehicles taken home from 97 vehicles to 50 vehicles. He stated that the review of automobile usage in the Water Department was based upon compliance with the Administrative Code. He further stated that the Administrative Code precludes some employees, who live outside the City, from taking City vehicles home. This may cost the City more money in terms of increased cost of claims against the City due to delays in responding to emergencies. Mr. Mullane stated that he put together a task force to work on amending the relevant section of the Administrative Code and will present it at the first meeting in November.

Johnny Stein, General Manager, Municipal Railway, reported that Muni reduced the number of vehicles going home from 51 to 33 vehicles.

Commissioner Jefferson emphasized the need to review the policy issues surrounding automobile usage and the inventory of vehicles more closely to ensure that the policy is clear and is being implemented. President Makras directed staff to report back to the Commission in thirty days with a recommendation on the status of vehicle usage and include an audit process where the Commission could adopt a detailed policy on vehicle usage.

Budget

Michelle Witt reported that staff is expecting a \$7 million shortfall in the current budget year due to a shortfall in revenues from the State, cost overruns in the City Attorney's services, cost overruns in claims payout and the unmet work furlough target. She stated that the Mayor's Budget Directors expect a shortfall between \$150 million to \$200 million in the 1993-94 budget. The 1993-94 budget would include changes in the City charter involving a proposal to restructure PUC. The Mayor's Office will create a task force to work on the restructuring of the City's organization.

The Commission discussed ideas on how input could be provided to the Mayor regarding proposals for restructuring PUC.

Resolution No. 92-0320 - Authorizing the General Manager of the San Francisco Water Department to amend the professional services agreement with EDAW, Inc. to perform Phase II of the Watershed Management Plans/Program Environmental Impact Reports Project.

David Pilpel, representing the Sierra Club, expressed concern regarding EDAW's ability to do the detailed technical work required on the Watershed Management Plans/Program Environmental Impact Reports project. Commissioner Jefferson affirmed and John Mullane, General Manager of the Water Department, concurred that EDAW, Inc. has a very good reputation in the industry.

Public Comments:

David Pilpel commented that the budget is coming apart again.

THEREUPON, THE MEETING WAS ADJOURNED: 3:35 P.M.

Romaine A. Boldridge
Secretary

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

November 10, 1992

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COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DEPARTMENTS

Hetch Hetchy Projects

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BUREAUS

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Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:20 p.m.

Present: Vice President Victor G. Makras, Commissioner James D. Jefferson,
Commissioner Patricia A. Carson, Commissioner Michael E. Hardeman

Excused: President Gordon Chin

Vice President Victor Makras presided.

On motion of Commissioner Jefferson, seconded by Commissioner Carson, the Minutes of the Regular Meeting of October 27, 1992 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0323 BF Requesting the Controller to allot funds and to draw warrants against such funds as are or will be available in payment of claims against the San Francisco Municipal Railway totaling \$88,477.25.

VOTES: AYES - Makras, Carson, Jefferson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

92-0324 BF Requesting the Controller to allot funds and to draw warrants against such funds as are or will be available in payment of claims against the San Francisco Municipal Railway totaling \$37,500.00.

VOTES: AYES - Makras, Carson, Jefferson, Hardeman

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

92-0325 MR Accepting the work performed under Municipal Railway Contract No. MR-1022, Metro Yards - Security Fencing & Gates, as satisfactorily completed; approving Contract Modification No. 3 in the amount of \$1,040.00; authorizing an extension of time for unavoidable delays of 375 calendar days; and authorizing final payment in the amount of \$63,114.96 to the contractor, Oakland Fence Company.

VOTES: AYES - Carson, Jefferson, Hardeman

NOES - Makras

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

- 92-0326 MR Accepting the work performed under Municipal Railway Contract No. MR-999, Curtis E. Green Light Rail Facility Main Maintenance Building, Modification to LRV Lifts, as satisfactorily completed; approving Contract Modification No. 1 in the amount of \$4,443.47; authorizing an extension of time for unavoidable delays of 150 calendar days; and authorizing final payment in the amount of \$32,558.47 to the contractor, Power Engineering Contractors.

VOTES: AYES - Carson, Jefferson, Hardeman
NOES - Makras

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0327 UEB Approving Contract Modification No. 20 to Municipal Railway Contract No. MR-869, Potrero Facility Rehabilitation, with N. L. Barnes Construction Co., Inc. in the amount of \$12,259,776.70; and extending the contract completion date to September 23, 1992.

VOTES: AYES - Makras, Carson, Jefferson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0328 UEB Authorizing the Manager of the Utilities Engineering Bureau to execute Contract Modification No. 2 to Contract No. HH-829R, O-Shaughnessy Septic System Rehabilitation Phase II, with San Luis Construction to extend the time allowance from 90 calendar days to 130 calendar days to complete the delivery and installation of the sewage lift station emergency standby generator, at no additional cost to the City.

VOTES: AYES - Makras, Carson, Jefferson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0329 UEB Accepting the work performed under San Francisco Water Department Contract No. WD-2052, 8-inch Ductile Iron Main installation in Fremont Street between Market and Harrison Streets, as satisfactorily completed; approving credit to the City of \$1,433.900; authorizing an extension of time of unavoidable delays of 45 working days; and authorizing final payment in the amount of \$18,082.00 to the contractor, Shaw Pipeline, Inc.

VOTES: AYES - Makras, Carson, Jefferson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0330 PT Approving Non-Civil Service and Temporary appointments and removals for the month of September 1992.

VOTES: AYES - Makras, Carson, Jefferson, Hardeman

On motion of Hardeman, seconded by Carson, the following resolution was adopted:

- 92-0331 MR Authorizing the General Manager of the Public Utilities Commission to execute a lease agreement with New Flyer Industries to operate a New Flyer low-floor bus in Municipal Railway revenue service for a nominal fee of One Dollar and to indemnify and save harmless the lessor pursuant to San Francisco Administrative Code, Section 1.25-1, from and against any and all claims.

VOTES: AYES - Makras, Carson, Jefferson, Hardeman

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

- 92-0332 WD Authorizing the General Manager of the Public Utilities Commission to enter into an agreement with San Mateo County Department of Public Works for reimbursement of all costs related to the relocation of the San Francisco Water Department water supply pipeline in conjunction with the design and construction of the Fifth Avenue Grade Separation Project between El Camino Real and Middlefield Road in Redwood City.

VOTES: AYES - Makras, Carson, Jefferson, Hardeman

On motion of Hardeman, seconded by Carson, the following resolution was adopted:

- 92-0333 UEB Authorizing the Manager of the Utilities Engineering Bureau, to negotiate and execute a Professional Services Agreement with James M. Montgomery Consulting Engineers, Inc. to perform the "Needs Assessment and Functional Study" for the planned San Francisco Water Department Millbrae Water Quality Laboratory, for an amount not to exceed \$200,000.

VOTES: AYES - Makras, Carson, Jefferson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0334 UEB Rejecting all bids submitted for San Francisco Water Department Contract WD-2064, 36-inch Steel Main Installation between San Jose and 25th Streets, 25th Street between Dolores and Sanchez Streets, Sanchez Street between 25th and 22nd Streets, and 22nd Street between Sanchez and Castro Streets; and authorizing rebidding the work as San Francisco Water Department Contract WD-2064R.

VOTES: AYES - Makras, Carson, Jefferson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0335 BF Authorizing the Assistant General Manager of Finance to apply for, accept and expend \$5,578,791 of funds from the San Francisco County Transportation Authority for the Municipal Railway's capital program projects; namely, Financial Capacity Study, Muni Metro Extension to Sixth Street, Metro Accessibility Improvements, Metro East LRV Facility, Rehabilitation & Replacement, and Paratransit Service.

VOTES: AYES - Makras, Carson, Jefferson, Hardeman

On motion of Jefferson, seconded by Carson, the following resolution was adopted:

- 92-0336 BF Authorizing an amendment to the agreement with Frye Claims Consultation and Administration, for vehicle and structure appraisal services, to increase the compensation not to exceed \$30,000 and to extend the term for one year.

VOTES: AYES - Makras, Carson, Jefferson, Hardeman

Announcement:

President Makras announced that the Commission met in Executive Session immediately before the meeting. He reported that no action was taken with respect to the San Francisco Water Department land parcel leased to the Olympic Club; and that no settlement was reached in the case of Roebelen Engineering vs. the City and County of San Francisco, Superior Court #928-115.

Old Business:

President Makras asked whether there were any amendments to the On-Time Rebate Program before it is implemented. Bobby Brown, President, Transport Workers Union, Local 250A, brought up concerns for the safety of personnel. President Makras directed staff to meet with labor unions to resolve outstanding issues of the program and report to the Commission on the results of the discussion.

New Business:

Task Force

President Makras appointed a task force composed of the heads of the operating departments and the Director of Finance to evaluate all reorganization proposals for the Public Utilities Commission. The task force would evaluate budget issues from both operational and financial perspectives and would prepare reports and recommendations to the Commission.

Commissioner Jefferson suggested that the report to the Commission should address issues such as: the type of organizational structure which would respond to the Mayor's direction; the financial and operational impacts to the departments; regulatory issues; and management of ongoing capital projects.

Michelle Witt, Director, Bureau of Finance, was appointed to chair the task force.

Alice Fialkin, Local 200, stated that the union would like to review any reorganization plans that would affect their bargaining units prior to development and implementation.

President Makras directed staff to present a timeframe for submission of reports to the Commission with regard to the budget proposals.

David Pilpel requested that the Commission include the public and labor union representatives in the review and development stage of the budget process and that the PUC task force work in parallel to the City's budget task force.

Report of the General Manager:

1992-93 Budget Process

Michelle Witt, Director, Bureau of Finance, reported that surveys were distributed to PUC employees to determine employees' interest in the voluntary furlough program. She stated that they received a fairly good response.

Ms. Witt stated that the Municipal Railway is exceeding its salary savings and may be able to meet the work furlough target for the current year because of the increased salary savings.

Bobby Brown of the Transport Workers Union, Local 250A, stated that his union did not have a problem with their members participating in a voluntary furlough program.

Jano Oscherwitz, Local 790, stated that their members would feel comfortable in completing surveys if it were done City-wide. Ms. Oscherwitz stated that they are in the negotiation process regarding distributing voluntary furlough surveys in all City departments.

1993-94 Budget

Michelle Witt reported that she had requested all department heads to submit their recommendations regarding decentralization. Ms. Witt stated that the Mayor's Office requested PUC to submit a baseline budget by November 30th which would include the basic 1992-93 fixed costs under the existing organization, the baseline budget under the decentralization scenario, and the programmatic budget. Ms. Witt stated that she would present the impacts of decentralization to PUC departments by November 24, 1992 .

Item No. (11): Authorizing the Manager of the Utilities Engineering Bureau, to execute Amendment No. 7 to the Professional Services Agreement with Camp Dresser and McKee, Inc., for additional professional construction support engineering services for the San Andreas Water Treatment Plant Expansion No. 2 Project.

Commissioner Jefferson expressed his concerns that there is lesser MBE participation in this project.

President Makras questioned the cause of the urgency of the project which necessitated overtime work.

This item was continued until staff submits a report identifying the problems and complexity of the project and the reason for the decreased level of MBE participation.

Item No. (13): Authorizing the Manager of the Utilities Engineering Bureau to negotiate Amendment No. 8 to the professional services agreement with Bechtel Corporation on a sole source basis for construction phase services, including construction management, for the Muni Metro Turnaround Project.

Item No. (15): Approving payment of insurance premiums for the Owner Controlled Insurance Program (OCIP) for the Muni Metro Turnback Project; and directing staff to seek Commission's approval for insurance and claims administration in conjunction with Amendment No. 1 for the Sedgwick/Carrie/Leong brokerage agreement.

Commissioner Jefferson suggested that staff conduct an informational workshop so that the Commission will better understand the various aspects of the Muni Metro Turnaround Project.

The Commission voted to continue Item Nos. (13) and (15) pending organization of an informational workshop for the Commission with respect to the Muni Metro Turnaround Project.

Commissioner Hardeman voted no on the motion to continue these items. He stated that Bechtel Corporation is one of the few companies who could best handle the job; and he therefore believed that a workshop was not necessary.

Item No. (16): Authorizing the Assistant General Manager of Finance to apply for, accept and expend \$5,578,791 of funds from the San Francisco County Transportation Authority for the Municipal Railway's capital program projects.

David Pilpel expressed his opposition to the Muni Metro Extension Project.

Item No. (17): Authorizing an amendment to the agreement with Frye Claims Consultation and Administration, for vehicle and structure appraisal services, to increase the compensation not to exceed \$30,000 and to extend the term for one year.

President Makras suggested that the compensation reflect a more appropriate expenditure for the coming year, and if claims were managed higher than anticipated, a report should be submitted to the Commission.

The Commission voted unanimously to amend the motion to reflect that the compensation to Frye Claims Consultation should not exceed \$30,000.

THEREUPON, THE MEETING WAS ADJOURNED: 3:55 p.m.

Romaine A. Boldridge
Secretary

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

SPECIAL MEETING

Room 282, City Hall

12:00 P.M.

November 24, 1992

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James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DEPARTMENTS

Hetch Hetchy Projects

Municipal Railway

Water Department

BUREAUS

Energy Conservation

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Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 12:05 p.m.

Present: President Gordon Chin, Vice President Victor G. Makras, Commissioner James D. Jefferson, Commissioner Patricia A. Carson, Commissioner Michael E. Hardeman

No action was taken at this meeting.

Muni Metro Turnback Project:

The Commission held a public meeting for an informational presentation and workshop on the Municipal Railway's Muni Metro Embarcadero Turnback Project.

Flint Nelson, Manager, Utilities Engineering Bureau Transportation Projects Division, presented a general overview of the project, its purpose, benefits, and costs. Mr. Nelson provided schematic diagrams and a miniature model of the Embarcadero Turnback Project. Dave Sutter, Utilities Engineering Bureau, answered questions from the Commission.

Mr. Nelson discussed the contract with Bechtel Corporation, the preliminary engineering and environmental impact study, the design and construction management phases of the project. Commissioners Jefferson and Makras expressed concerns in awarding the construction management contract to Bechtel Corporation on a sole source basis and the issue of having the design and construction management work handled by the same firm.

The meeting was recessed to December 8, 1992 at 12:00 p.m. in Room 282, City Hall: 1:50 P.M.

Romaine A. Boldridge
Secretary

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MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

REGULAR MEETING

Room 282, City Hall

2:00 P.M.

November 24, 1992

COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

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Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Present: President Gordon Chin, Vice President Victor G. Makras, Commissioner James D. Jefferson, Commissioner Patricia A. Carson, Commissioner Michael E. Hardeman

On motion of Commissioner Jefferson, seconded by Commissioner Hardeman, the Minutes of the Regular Meeting of November 10, 1992 were approved as corrected.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted in executive session:

92-0337 UEB Approving the settlement of claim under Superior Court No. 928-115, Roebbelen Engineering Inc. vs. City and County of San Francisco.

VOTES: AYES - Chin, Jefferson, Carson, Hardeman
 NOES - Makras

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

92-0338 BF Requesting the Controller to allot funds and to draw warrants against such funds as are or will be available in payment of claims against the San Francisco Municipal Railway totaling \$141,000.00.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

92-0339 BF Approving collection of charges for damages against the San Francisco Municipal Railway, Water Department, Hetch Hetchy, and Bureau of Light, Heat and Power for the months of September and October 1992.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

92-0340 UEB Approving Contract Modification No. 3 to Contract No. WD2037R, Calaveras Pipeline Replacement Project, in the amount of \$684,390.00; approving the time extension of four (4) calendar days; and requesting the Controller to transfer \$684,390 from the San Andreas Water Treatment Plant Expansion No. 2 Project to supplement the Calaveras Pipeline Replacement Project.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

- 92-0341 UEB Approving Debit Contract Modification No. 13 to San Francisco Water Department Contract WD-2060, San Andreas Water Treatment Plant Expansion No. 2, with S.J. Amoroso Construction Co., Inc./Verrett Construction Company, Inc., in the amount of \$243,200.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

- 92-0342 UEB Requesting the Board of Supervisors' approval to extend the time for the award of San Francisco Water Department Contract No. WD-2123, City Distribution Division (CDD) Machine Shop Upgrade; and awarding the contract to AR Construction Company in the amount of \$201,849.01 subject to the Board of Supervisors approval of extension of time to award.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

- 92-0343 GM Approving contract amendment with the Planning Collaborative in the amount of \$240,000 to complete Specific Plan work for the Water Department's lands in Pleasanton.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0344 MR Authorizing the Municipal Railway to donate ten (10) Muni Fast Passes as prizes for employee participation in the 1992 Combined Charities Campaign.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0345 MR Authorizing the Municipal Railway to modify the contract with Breda Costruzioni Ferroviarie S.p.A. to purchase five additional light rail vehicles at a cost of \$2,197,000 each, increasing the contract amount by \$10,985,000, for a total contract amount not to exceed \$93,072,695; to extend the expiration date to purchase the remaining option vehicles; and to incorporate the Master Resolution List.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0346 MR Authorizing the Municipal Railway to issue Request for Proposals from Consulting Engineering Services for the procurement of articulated and standard Electric Trolley Buses.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0347 MR Granting approval to the San Francisco Arts Commission to designate seven selling spaces for street artists at Harvey Milk Plaza at Castro Street Station, effective December 1, 1992 through February 28, 1993.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

- 92-0348 HH Accepting the report titled "Water Supply, Demand, and the Future"; and instructing staff to distribute the proposed policy resolutions to interested parties, work with interested parties, schedule a hearing in January at which PUC can accept public testimony on the proposed resolutions, and schedule a subsequent meeting of the PUC to discuss and act on the policy resolutions.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Makras, the following resolution was adopted:

- 92-0349 UEB Awarding Municipal Railway Contract No. MR-898R, No. 14 Mission Line Trolley Overhead Reconstruction Project (Phase A - Persia Avenue to Daly City Loop), in the amount of \$4,787,244.00 to L.K. Comstock and Co., Inc.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Jefferson, seconded by Hardeman, the following resolution was adopted:

- 92-0350 UEB Approving Modification No. 1 to Contract WD-2095, Pilarcitos Forebay - Repair Walkway and Slide Gates, with Valentine Corporation, to extend the contract for 164 days and increase the cost by \$64,143.09, for a total contract amount of \$170,512.09.

VOTES: AYES - Chin, Jefferson, Carson, Hardeman

NOES - Makras

On motion of Hardeman, seconded by Jefferson, the following resolution was adopted:

- 92-0351 UEB Rejecting all bids received on July 21, 1992 for the San Francisco Water Department Contract No. WD-2089, 12- and 8-Inch Ductile Iron Main Installation in Powell between Lombard and Jefferson Streets, and Mason Street between Lombard and Chestnut; and authorizing re-advertisement of this work as San Francisco Water Department Contract No. WD-2089R.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

Announcement:

President Gordon Chin announced that the Public Utilities Commission met in Executive Session immediately before the regular meeting and approved the settlement of claim under Superior Court No. 928-115, Roebbelen Engineering Inc. v. City and County of San Francisco.

Old Business:

Commissioner Hardeman reported that he met with the 19th Avenue Committee and Don Birrer, Facilitator of the 19th Avenue Project. The Committee proposed that the Municipal Railway test the Committee's loop proposal. Commissioner Hardeman stated that further research should be done by the Municipal Railway staff to determine whether the test is feasible.

General Manager's Report:

PUC Reorganization Proposal

Michelle Witt, Director, Bureau of Finance, discussed reorganization proposals for the Public Utilities Commission. The proposal submitted to the Commission included proposals from the bureaus recommending assignment of staff resources should the Municipal Railway become a stand alone department, and proposals for the Water Department and Hetch Hetchy showing the two operating departments sharing bureau functions. The package also included comments from the three operating departments and the bureaus on the implications of decentralization.

Ms. Witt stated that decentralization of the bureaus will not create savings to the City. She said that the decentralization proposal would cost an additional \$3 million to the Municipal Railway, assuming Muni would still receive subsidies from Water and Hetch Hetchy. Ms. Witt stated that the Municipal Railway had not been paying its proportional share of the costs of maintaining the bureaus since the bureaus were created. The decentralization would, however, decrease the Water Department and Hetch Hetchy budgets by \$3 million.

Ms. Witt stated that the distribution of positions to the three operating departments were done without looking at people who are in those positions. She stated that after the cost issues were dealt with, staff would redefine positions that would be transferred or created by the decentralization.

Thomas J. Elzey, General Manager, Public Utilities Commission, stated that the Mayor asked PUC to look at several outstanding issues such as: privatizing the claims function, transferring security functions to the Police Department, contracting the revenue collection function, issues of charter authority, and implications of the proposed changes to the units reporting to the General Manager's Office.

Commissioner Jefferson asked whether the departments that will be affected by the transfer of functions, for example, Police and Civil Service Commission will in fact be able to absorb those functions. Michelle Witt responded that the Police Department has been approached, and that PUC staff are in the process of talking with other departments.

Michelle Witt stated that the Mayor's Office asked PUC to submit a baseline budget based on both the present organizational structure and the decentralized PUC bureaus.

President Chin requested that staff keep the Commission informed about the City wide task force activities, specifically with respect to the restructuring of City government. He stated it is critical for the Commission to participate in the deliberation as the task force relates to PUC and its relationships to other departments.

David Pilpel suggested that PUC look at merging those smaller organizational units of PUC such as the Bureau of Energy Conservation, Bureau of Management Information Systems, Contract Compliance, Bureau of Light, Heat and Power, Health and Safety, and Protective Services into the three operating departments, so that there will be three operating departments and three bureaus: Finance, Personnel, and Utilities Engineering. He also expressed his concerns for the need for capital planning in the Municipal Railway, long range planning at the Water Department and Hetch Hetchy, and creating a public affairs function at the Utilities Engineering Bureau.

Proposed Reductions and Reassignments at PUC

Mr. Elzey reported on the proposed reduction and reassignments in the PUC workforce anticipated to occur on January 1, 1993. Out of those reductions and reassignments, 40% will be female, 20% Black, 10% Hispanic, 20% Asian, and 10% Filipinos.

24th and Utah Property

Fred Howell, Finance Bureau, reported that PUC and Muni staff are moving rapidly in trying to vacate the 24th and Utah property by March 1993. He stated that the reason nothing has been finalized yet is because of funding issues. As a result, they are looking into leasing the replacement site (700 Pennsylvania) as opposed to purchasing the site. Staff have authorized the Real Estate Department to explore the possibilities of a lease option. Another reason for the delay is that the Municipal Railway's capital improvement planning is currently in progress. Also, staff requested authorization from the Federal Transit Authority to allow the San Francisco General Hospital to use a portion of the Scott Facility for temporary parking.

Work Furlough Survey

Johnny Stein, Municipal Railway, General Manager, reported that 6% of the Muni Railway work force replied to the work furlough survey. Out of this 6%, 70% responded no. From those people who indicated interest in work furlough, the Municipal Railway would be able to give 600 unpaid workdays to the City.

Resolution No. 92-0343: Approving contract amendment with the Planning Collaborative in the amount of \$240,000 to complete Specific Plan work for the Water Department's lands in Pleasanton.

The Commission voted unanimously to approve the contract amendment with the Planning Collaborative.

President Gordon Chin asked about the City of Pleasanton's position with regard to the project now that there were newly elected officials on the City Council. Jeff Grote, President of the Planning Collaborative, responded he felt strongly that the City Council will favor moving this project along.

President Chin requested that a workshop be conducted in two to three months to provide the Commission with new developments in the project and also provide information regarding the intentions of the City of Pleasanton and the East Bay Municipal Utilities District.

Resolution No. 92-0348: Accepting the report titled "Water Supply, Demand, and the Future"; and instructing staff to distribute the proposed policy resolutions to interested parties, work with interested parties, schedule a hearing in January at which PUC can accept public testimony on the proposed resolutions, and schedule a subsequent meeting of the PUC to discuss and act on the policy resolutions.

Andy Moran, General Manager, Hetch Hetchy, pointed out that the capital figures used in the report were very old and were just gross estimates.

Commissioner Jefferson stated that this project is one of the areas where a workshop is necessary so that the Commission could look closely at the recommendations and available options relative to developing new water supply systems.

The Commission voted unanimously to accept the report and directed staff to distribute the report to all interested parties, specifically those people who testified in the water rationing hearings, and also to schedule a public hearing in January.

Resolution No. 92-0350: Approving Modification No. 1 to Contract WD-2095, Pilarcitos Forebay - Repair Walkway and Slide Gates, with Valentine Corporation, to extend the contract for 164 days and increase the cost by \$64,143.09, for a total contract amount of \$170,512.09.

The Commission voted 4-1 to pass the resolution. Commissioner Victor Makras voted no. Commissioner Makras expressed concern about the increase in the costs and time required to do the additional work.

Item No. 15: Authorizing the Manager of the Utilities Engineering Bureau to negotiate Amendment No. 8 to the professional services agreement with Bechtel Corporation on a sole source basis for construction phase services, including construction management, for the Muni Metro Turnaround Project.

Item No. 16: Approving payment of insurance premiums for the Owner Controlled Insurance Program (OCIP) for the Muni Metro Turnback Project; and directing staff to seek Commission's approval for insurance and claims administration in conjunction with Amendment No. 1 for the Sedgwick/Carrie/Leong brokerage agreement to administer the Owner Controlled Insurance Program, during the construction phase of the project.

Item Nos. 15 and 16 were continued pending completion of the workshop on the Muni Metro Extension Embarcadero Turnback Project.

THEREUPON, THE MEETING WAS ADJOURNED: 4:15 P.M.

Romaine A. Boldridge
Secretary

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

RECESSED MEETING

Room 282, City Hall

12:00 P.M.

December 8, 1992

COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

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DEPARTMENTS

Hetch Hetchy Projects

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and Construction
Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 12:10 p.m.

Present: President Gordon Chin, Vice President Victor G. Makras, Commissioner James D. Jefferson, Commissioner Patricia A. Carson, Commissioner Michael E. Hardeman

Commissioner Makras arrived at 1:05 p.m. Commissioner Hardeman arrived at 1:30 p.m.

No action was taken at this meeting.

MUNI METRO EMBARCADERO TURNBACK PROJECT

This meeting was continued from the meeting held on November 24, 1992.

Owner Controlled Insurance Program

Keith Grand, Risk Manager, City and County of San Francisco, described the Owner Controlled Insurance Program (OCIP) and explained its components.

In response to Commissioner Jefferson's question on the contractors' incentives to minimize claims, Mr. Grand responded that the contractors would pay deductibles and they would have to adhere to safety rules. Dave Sutter responded to the Commissioners' questions that Bechtel would indemnify the City against loss over \$40 million resulting from their contracts.

Mr. Grand stated that the MBE participation for the insurance broker services is 25%. There were no MBEs providing the coverage.

Mr. Grand stated that the Public Utilities Commission's Claims Unit and the City Attorney's Office would be the only direct City players to administer the insurance program. In response to Commissioner Chin's question of whether this can be assigned to contractors, Michelle Witt, PUC Finance Director, said that the City has the responsibility and ultimate authority to administer the program. Mr. Elzey stated that it is possible to privatize the claims process work. It could likely be contracted out.

Mr. Grand pointed out that the federal government strongly recommends the Owner Controlled Insurance Program approach because of the advantages of control in safety and claims administration.

BART Agreement

Flint Nelson, Manager, Transportation Projects Division, Utilities Engineering Bureau, provided a background of the agreement with the Bay Area Rapid Transit (BART). He discussed the unresolved issues concerning the agreement with BART. He said that staff would be meeting with BART on the requirement for PUC to maintain a minimum level of General Liability Insurance of \$100 million. BART wants PUC to obtain a General Liability Insurance of up to \$200 million, and to give a three-day notice before the Municipal Railway can get access to BART tracks.

Project Financing

Michelle Witt, Finance Director, discussed the funding for the Muni Metro Embarcadero Turnback Project. She stated that the total baseline budget for this project is \$202.3 million. The Federal Transit Authority (FTA) required PUC to maintain a capital reserve of \$10.2 million which would bring the total programmed funding to \$212.5 Million. Ms. Witt said that staff is currently negotiating with FTA for the full funding of the project. FTA has put a dollar cap on the project, which is \$212.5 million and will not fund any more than this amount.

Bob Schnaibel, Manager of Operations for the Rail Transit Department of Bechtel Corporation, responded to questions from the Commission about MBE participation. He stated that Bechtel would be able to meet the 40% MBE goal participation. The plan they have was based on looking at the Utilities Engineering Bureau staff taking some of the construction management and engineering support work. Staff would determine the positions that would be manned by City workforce.

Commissioner Jefferson urged the parties to formulate a quality DBE program where DBEs participate in meaningful technical roles.

President Chin pointed out that if 40% DBE participation is a guarantee, then possibly 50% participation could be a goal. Arnold Baker, Contract Compliance Officer, responded to Commissioners' questions with respect to setting MBE participation goals in PUC contracts. Mr. Baker stated that it could not be done with federal contracts but there could be a stipulation to first seek local contractors. Mr. Baker added that there would be more latitude in professional services contracts than in construction contracts.

Commissioner Hardeman stated that the Commission should discuss the overall policy regarding MBE participation goals separately, but to make changes at this point would not be a good idea.

THEREUPON, THE MEETING WAS ADJOURNED AT 2:15 p.m.

Romaine A. Boldridge
Secretary

0446M

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

REGULAR MEETING

Room 282, City Hall

2:30 P.M.

December 8, 1992

COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DEPARTMENTS

Hetch Hetchy Projects

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and Construction
Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:40 p.m.

Present: President Gordon Chin, Vice President Victor G. Makras, Commissioner James D. Jefferson, Commissioner Patricia A. Carson, Commissioner Michael E. Hardeman

On motion of Commissioner Hardeman, seconded by Commissioner Jefferson, the Minutes of the Special Meeting on the Muni Metro Embarcadero Turnback Project and the Minutes of the Regular Meeting of November 24, 1992 were approved.

RESOLUTION

NO.

On motion of Commissioner Jefferson, seconded by Commissioner Makras, the following resolution was adopted:

92-0352 MR Approving the Municipal Railway Americans with Disabilities Act Paratransit Service Plan Update, and directing staff of the Municipal Railway to submit this plan to the Metropolitan Transportation Commission and the Federal Transit Administration.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Commissioner Hardeman, seconded by Commissioner Jefferson, the following resolution was adopted:

92-0353 MR Requesting the Controller to allot funds and to draw warrants against such funds as are or will be available in payment of claims against the San Francisco Municipal Railway totaling \$18,000.00.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Commissioner Hardeman, seconded by Commissioner Jefferson, the following resolution was adopted:

92-0354 WD Awarding the San Francisco Water Department Contract No. WD-2115, San Andreas Pipeline No. 3 - Rehabilitation, to A. Ruiz Construction Co. and Associates, and Ranger Pipelines, Inc., a joint venture, in the amount of \$5,448,000.00.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Commissioner Makras, seconded by Commissioner Hardeman, the following resolution was adopted:

92-0355 MR Authorizing the General Manager of the Public Utilities Commission to extend the expiration date of the Peninsula Corridor Joint Powers Board (JPB) Feeder Bus Contract No. 04E601-RO to June 30, 1993.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Commissioner Makras, seconded by Commissioner Hardeman, the following resolution was adopted:

- 92-0356 WD Declaring that the 17.35 acre parcel leased to the Olympic Club, located in San Francisco and San Mateo counties, is surplus to the Water Department's operating needs; and authorizing the Director of the Real Estate Department to prepare necessary legislation for enactment by the Board of Supervisors and to conduct the sale of the subject property at public auction.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Commissioner Jefferson, seconded by Commissioner Hardeman, the following resolution was adopted:

- 92-0357 WD Authorizing the General Manager of the San Francisco Water Department to execute a Memorandum of Understanding with the Central California Coast Biosphere Reserve (CCCBR) to commit necessary staff time to participate in the activities of the CCCBR.

VOTES: AYES - Makras, Jefferson, Carson, Hardeman

ABSENT - Chin

On motion of Commissioner Makras, seconded by Commissioner Hardeman, the following resolution was adopted:

- 92-0358 HH Adopting a revised policy regarding the use of guest facilities at O'Shaughnessy Dam.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Commissioner Makras, seconded by Commissioner Hardeman, the following resolution was adopted:

- 92-0359 UEB Awarding all bid items of San Francisco Municipal Railway Contract No. MR-889R2, Flynn Facility Modifications, to Angotti & Reilly/T.E. Joo Construction Inc., a joint venture bidder, in the amount of \$396,750.00.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Commissioner Makras, seconded by Commissioner Hardeman, the following resolution was adopted:

- 92-0360 UEB Authorizing the Manager of the Utilities Engineering Bureau to execute Amendment No. 7A to Agreement CS-361 with Bechtel Corporation for professional services during the bid, award and preliminary advance construction phases of the Muni Metro Turnaround Project, to extend the agreement as amended to date through March 5, 1993, at no additional cost.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Commissioner Jefferson, seconded by Commissioner Hardeman, the following resolution was adopted:

- 92-0361 UEB Authorizing the Manager of the Utilities Engineering Bureau to negotiate Amendment No. 8 to the professional services agreement with Bechtel Corporation on a sole source basis for construction phase services, including construction management, for the Muni Metro Turnaround Project.

VOTES: AYES - Chin, Jefferson, Carson, Hardeman

NOES - Makras

On motion of Commissioner Jefferson, seconded by Commissioner Hardeman, the following resolution was adopted:

- 92-0362 UEB Approving payment of insurance premiums for the Owner Controlled Insurance Program (OCIP) for the Muni Metro Turnback Project; and directing staff to seek Commission's approval for insurance and claims administration in conjunction with Amendment No. 1 for the Sedgwick/Carrie/Leong brokerage agreement to administer the Owner Controlled Insurance Program, during the construction phase of the project.

VOTES: AYES - Chin, Jefferson, Carson, Hardeman

NOES - Makras

On motion of Commissioner Hardeman, seconded by Commissioner Jefferson, the following resolution was adopted:

- 92-0363 BEC Authorizing the General Manager of the Public Utilities Commission to negotiate and execute a professional services contract with Brown, Vence & Associates to perform energy efficiency design review of municipal capital improvement projects, in the amount of \$65,000.00.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

Communications:

Romaine Boldridge, Public Utilities Commission Secretary, advised the Commission of upcoming meetings in December and January 1993. She stated that staff would publish a notice for a public hearing on January 19, 1993 to discuss the Public Utilities Commission budget.

President Chin directed staff to outline a tentative calendar of meetings for the next three months.

Introduction of Old Business:

Commissioner Hardeman reported that he attended the dedication of Cable Cars 13, 21 and 49 on Saturday, December 5, 1992. He said that the function was very well attended and that staff did a good job. Commissioner Hardeman represented the Mayor who was unable to attend.

Commissioner Makras brought up the importance of expediting the appraisal of the housing units owned by the Water Department and Hetch Hetchy to determine their current fair market rental value. He stated that he had calculated, based on a hypothetical rental rate which could have brought the rent up to \$350 over the last 10 years and adding a nominal cost for utilities, the City would have realized \$4.5 million in revenues.

Commissioner Hardeman stated that he agrees to restructuring the rental rates but he suggested not to change it immediately because it would be unfair to the workers.

President Chin suggested that staff submit options to the Commission with regard to changing the housing policy and develop a method of charging for the cost of utilities.

New Business:

Commissioner Makras requested that the Commission hold a hearing on December 22, 1992 regarding the May 1992 Municipal Railway investigation.

Commissioner Jefferson requested that staff develop a set of performance indicators that could be used to do a comparative performance analysis of other transit systems and the Municipal Railway. Those performance factors should include productivity of workers, and indicators relating to service, maintenance, and ridership.

Thomas J. Elzey, General Manager, Public Utilities Commission, replied that a similar group of performance indicators are provided internally but they do not currently include other transit systems. He said that comparative data can be included.

General Manager's Report:

Municipal Railway Investigation

Thomas J. Elzey, General Manager, Public Utilities Commission, reported on the Municipal Railway maintenance investigation that occurred in May 1992. Mr. Elzey stated that staff was not able to come up with any conclusions based upon the data and no further steps were taken on the information that was gathered.

President Chin expressed the need to establish parameters for the hearing at the next meeting and need to be aware that there are procedures that would have to be followed for some type of issues, for instance, matters that may involve Civil Service.

President Chin pointed out areas that he would like to have clarified regarding the investigation such as: (1) what happened in the two weeks of May, (2) the scope and objectives of the observation and why individuals were not identified for appropriate disciplinary actions; (3) how was employee discipline dealt with, and what are the management measures to make sure employees do their jobs; and (4) how can we make the best use of PUC resources.

Commissioner Makras suggested that the former staff of Protective Services and the two Burns Security personnel involved with the investigation should attend the meeting. Commissioner Makras stated he would like to clarify the rules given to the observers regarding the manner of conducting the investigation, work assignments, chain of command and why there was no end result.

1993-94 Budget

Michelle Witt, Finance Director, reported that the baseline budget was submitted to the Mayor on November 30. Since that time, staff have revised Hetch Hetchy's baseline budget and is currently in the process of revising the Municipal Railway's budget.

The budget for Hetch Hetchy was revised to change the costs of wheeling charges and the purchase of power. Hetch Hetchy increased its purchase of power budget by 74%. The general fund transfer will be reduced from \$17 million to \$7 million. Hetch Hetchy's general fund transfer will be reduced to \$11 million this year.

Ms. Witt reported that the Municipal Railway's budget was also being revised because the Mayor's Office wanted the Municipal Railway to absorb all of this year's one time costs in next year's budget and also the cost of salary standardization. This would bring Muni's shortfall to \$24-28 million. The Muni's budget submitted to the Mayor showed two baseline budgets - one for a decentralized department and another for a centralized department. Without these adjustments, the Municipal Railway's baseline budget shortfall would be \$12 million.

Ms. Witt also reported that the Mayor's Office asked PUC to do a baseline budget by program which would be due next week. PUC will receive its deficit target by December 31, 1992. However, the budget, which is due to the Mayor on February 1st would not include the deficit target numbers. Ms. Witt stated that the Mayor's Office established a new policy that work order departments have to absorb any increased costs. This policy would affect service bureaus like the Bureau of Light, Heat and Power.

1992-93 Budget

Michelle Witt stated that the Mayor's Office recommended that departments look at the two years' (1992-93 and 1993-94) shortfall as one problem. The February 1st budget submission deadline would mean that PUC has to come up with a way to balance its budget. The Commission would have to make its recommendations to the Mayor on how to proceed. Thomas Elzey said that staff expects to hear from the Mayor's Office regarding service reductions and fare increases.

Resolution No. 92-0352: Approving the Municipal Railway Americans with Disabilities Act Paratransit Service Plan Update, and directing staff of the Municipal Railway to submit this plan to the Metropolitan Transportation Commission and the Federal Transit Administration.

Annette Williams, Manager, Municipal Railway Accessible Services Program, provided the background information and current status of the program.

Among those who commented at the meeting were Burton H. Wolfe, Bruce Oka of Oka & Associates, Jonathan Marsh, Tom Karnes from the Muni Accessibility Advisory Council, and representatives of the Paratransit Coordinating Council: namely, B. Elias Baker, Michael Kwok, Arlene Wong, Cheryl Damico. Their suggestions and comments would be included in the final printed document of the Muni ADA Paratransit Service Plan Update.

The Commission voted unanimously to approve the plan and its submission to the Federal Transit Authority.

Item No. 10: Authorizing the General Manager of the Public Utilities Commission to negotiate and execute an interest rate swap agreement on all or a portion of the San Francisco Water Department, 1991 Series A Revenue Bonds, between the Public Utilities Commission and Grigsby Brandford & Co., Inc., and Bankers Trust Securities.

Commissioner Jefferson moved to adopt the resolution, seconded by President Chin. Commissioners Makras, Carson and Hardeman voted no. The motion failed.

Resolution No. 92-0356: Declaring that the 17.35 acre parcel leased to the Olympic Club, located in San Francisco and San Mateo counties, is surplus to the Water Department's operating needs; and authorizing the Director of the Real Estate Department to prepare necessary legislation for enactment by the Board of Supervisors and to conduct the sale of the subject property at public auction.

Commissioner Makras moved to declare the land parcel as surplus to the Water Department. He stated that he was confident that the appraisal results justified the land's value. Commissioner Carson seconded. Commissioner Jefferson expressed concern that the sale would only lead to one buyer.

David Pilpel expressed his opinion that PUC should not sell its assets to balance the budget.

Resolution No. 92-0358: Adopting a revised policy regarding the use of guest facilities at O'Shaughnessy Dam.

Anson Moran, General Manager, Hetch Hetchy Water and Power, discussed the purpose of the change in the policy regarding the use of guest facilities at O'Shaughnessy Dam.

Mr. Moran indicated that it would be easier to make the determination, in practice, as to which visits are official or unofficial, and when presence of guests is incidental to an official visit. He stated, as an example, that the spouse and children of an official guest would be considered incidental.

Commissioner Jefferson requested that staff make quarterly presentations to the Commission to report on who uses the facilities and the purpose of their visit.

Commissioner Makras moved to adopt the revised policy incorporating Commissioner Jefferson's request for quarterly reports. Commissioner Makras pointed out that he had not amended the resolution to include the Mayor's request to retroactively charge those individuals who had used the facility prior to the adoption of this revised policy.

Resolution No. 92-0361: Authorizing the Manager of the Utilities Engineering Bureau to negotiate Amendment No. 8 to the professional services agreement with Bechtel Corporation on a sole source basis for construction phase services, including construction management, for the Muni Metro Turnaround Project.

Resolution No. 92-0362: Approving payment of insurance premiums for the Owner Controlled Insurance Program (OCIP) for the Muni Metro Turnback Project; and directing staff to seek Commission's approval for insurance and claims administration in conjunction with Amendment No. 1 for the Sedgwick/Carrie/Leong brokerage agreement to administer the Owner Controlled Insurance Program, during the construction phase of the project.

Commissioner Jefferson moved and Commissioner Hardeman seconded to adopt the Resolution Nos. 92-0361 and 92-0362. On the question, Commissioner Makras voted no.

Commissioner Makras stated that he accepted the package as a whole but disagrees with staff's recommendation on the sole source issue. He expressed concern about awarding the construction management contract to the same firm, Bechtel Corporation, who is already managing the design engineering phase of the project. He stated there would be a "check and balance" system if the management of the construction and the design and engineering functions were separated.

Commissioner Hardeman expressed his opinion that Bechtel is the only company that could handle the requirements of the job.

Flint Nelson, responded to the Commissioners' questions, that if the construction management contract is not awarded at this point, staff would have to issue a Request for Proposal and start another selection process. This process would take four to six months and would cost \$50,000 to \$75,000, plus the additional escalation cost to the total contract price at a later period.

The Commission voted 4-1 to adopt the resolution. Commissioner Makras voted no.

Public Comments:

David Pilpel commented about the need to address this year and next year's budget deficit problems earlier and consider recommendations that would permanently fix PUC's budget problems. He suggested that the Commission look at the proof of payment program.

THEREUPON, THE MEETING WAS ADJOURNED AT 5:30 P.M.

Romaine A. Boldridge
Secretary

92

MINUTES

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Frank M. Jordan

Mayor

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JAN 20 1993

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REGULAR MEETING

Room 282, City Hall

2:00 P.M.

December 22, 1992

COMMISSIONERS

Gordon Chin, President

Victor G. Makras, Vice President

James D. Jefferson

Patricia A. Carson

Michael E. Hardeman

DEPARTMENTS

Hetch Hetchy Projects

Municipal Railway

Water Department

BUREAUS

Energy Conservation

Engineering and Construction
Management

Financial Management

Information Systems

Management Efficiency and
Productivity

Personnel and Training

Thomas J. Elzey

GENERAL MANAGER

Romaine A. Boldridge

SECRETARY

Call to Order: 2:10 p.m.

Present: President Gordon Chin, Vice President Victor G. Makras, Commissioner James D. Jefferson, Commissioner Patricia A. Carson, Commissioner Michael E. Hardeman

On motion of Commissioner Hardeman, seconded by Commissioner Jefferson, the Minutes of the Recessed Meeting on the Muni Metro Embarcadero Turnback Project on December 8, 1992 and the Minutes of the Regular Meeting of December 8, 1992 were approved.

A tape of the meeting is on file in the office of the Secretary of the Public Utilities Commission.

RESOLUTION
NO.

On motion of Commissioner Makras, seconded by Commissioner Carson, the following resolution was adopted:

92-0364 UEB Accepting the work performed under San Francisco Water Department Contract No. WD-2099, 8-inch Ductile Iron Main Installation in Spruce Street, Euclid Avenue and other streets in the Laurel Heights area, as satisfactorily completed; approving debit, Contract Modification No. 1 in the amount of \$7,851.00; and authorizing final payment to the contractor, Uniacke Construction, Inc. in the amount of \$6,235.00.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Commissioner Makras, seconded by Commissioner Carson, the following resolution was adopted:

92-0365 UEB Awarding the San Francisco Water Department Contract No. WD-2129R, 12-Inch Iron Main Installation in Johnstone Drive, Medical Center Road and Clarendon Avenue to Uniacke Construction, Inc. in the amount of \$119,407.00.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Commissioner Carson, seconded by Commissioner Makras, the following resolution was adopted:

92-0366 GM Disapproving the waiver of attorney-client privilege and release of certain requested documents.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Commissioner Makras, seconded by Commissioner Hardeman, the following resolution was adopted:

- 92-0367 MR Designating January 26, 1993 at 2:00 p.m. in Room 282, City Hall, San Francisco, as the date, time and place to hold a public hearing to consider amendments to the Municipal Railway Fare Schedule and reductions in Municipal Railway service.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Commissioner Jefferson, seconded by Commissioner Hardeman, the following resolution was adopted:

- 92-0368 UEB Authorizing the Utilities Engineering Bureau to request proposals, interview, select and recommend to the Public Utilities Commission two qualified firms for two separate contracts to provide technical engineering and testing laboratory services for two years; one contract for use on Federally funded projects up to a maximum amount of \$200,000.00 and the other contract for use on City funded projects up to a maximum amount of \$200,000.00.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Commissioner Jefferson, seconded by Commissioner Hardeman, the following resolution was adopted:

- 92-0369 UEB Authorizing the Manager of the Utilities Engineering Bureau to execute Amendment No. 2 to the Professional Services Agreement with Foster-Jordan Associates, for additional design costs for the Muni Metro Extension Project in the amount of \$136,247.08, thereby increasing the total fee from \$1,700,000.00 to \$1,836,247.08.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Commissioner Jefferson, seconded by Commissioner Hardeman, the following resolution was adopted:

- 92-0370 UEB Awarding San Francisco Water Department Contract No. WD-2108, 8-inch Ductile Iron Main Installation in Post Street, Scott to Baker Streets, Presidio Avenue, Post Street to California Street in the net amount of \$310,000.00 to P&J Utility Co.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Commissioner Jefferson, seconded by Commissioner Hardeman, the following resolution was adopted:

- 92-0371 UEB Requesting the Board of Supervisors' approval to extend the time to award San Francisco Water Department Contract No. WD-2130, Ventilation of Adit Structures; and awarding the contract to Eslinger and Son Construction Co., Inc., in the amount of \$97,133.00, subject to the Board of Supervisors' approval of extension of time to award.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Commissioner Jefferson, seconded by Commissioner Hardeman, the following resolution was adopted:

92-0372 UEB Requesting the Board of Supervisors' approval to extend the time to award San Francisco Water Department Contract No. WD-2131, Install Permanent Work Platforms/Water Supply Division; and awarding the contract to Echo-West, Inc., in the amount of \$117,000.00, subject to the Board of Supervisors' approval of extension of time to award.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

On motion of Commissioner Jefferson, seconded by Commissioner Hardeman, the following resolution was adopted:

92-0373 UEB Authorizing the Manager of the Utilities Engineering Bureau to negotiate a professional services agreement with Archeological Services, Inc. for an amount not to exceed \$30,000.00 for the required Cultural Resources Investigation for the Early Intake Septic System Rehabilitation in Tuolumne County, California.

VOTES: AYES - Chin, Makras, Jefferson, Carson, Hardeman

Introduction of Old Business by Commissioners:

Hearing on Municipal Railway May 1992 Review

Thomas J. Elzey, General Manager, Public Utilities Commission, explained the operations of the ongoing observation program which is comprised of students hired by the Bureau of Protective Services and Burns Security personnel. The program is under the jurisdiction of the Bureau of Protective Services. All anomalies found during an observation are reported to Municipal Railway management.

Kirk Lawson, Manager, Bureau of Management Efficiency and Productivity, discussed the observation conducted in May 1992 at the seven maintenance facilities of the Municipal Railway. Mr. Lawson stated that the goals and objectives of the observation was to monitor specific work activities, such as: gate operations, yard perimeter security, graffiti removal and observance of work rules. Mr. Lawson stated that the findings were not verified because there was no detailed information to warrant verification. Mr. Lawson said that the Chief of Protective Services, Chuck Richardson, was in charge of the observation and that the timeframe in which to complete the observation was two to three weeks.

Commissioner Makras asked whether the findings were shared with either the General Manager of the Public Utilities Commission or the General Manager of the Municipal Railway. Kirk Lawson said he did not report to either one because the information he had was not sufficient.

Chuck Richardson, former Chief of Protective Services and currently Chief of Police, Seaside, California, presented to the Commission documents supporting the observations that took place in May. Mr. Richardson introduced the individuals who participated in the observation, namely: Andy Balmy, Walt Gibbons, Fred West, Vivian Viviani, and Jim Scott.

Mr. Richardson explained that the observation program of the Bureau of Protective Services is undertaken by hiring students to follow up on reports of employees involved in criminal acts on Muni buses and cable cars. The students' findings are documented by Burns Security personnel and forwarded to either the superintendent or the supervisor who had requested the observation. Mr. Richardson stated that Kirk Lawson was in charge of the May 1992 observation. Mr. Richardson said that he did not prepare a report on the findings since he was advised by Kirk Lawson that he would prepare the report himself.

After discussion, the Commission agreed to take no particular action on this issue because the testimonies were conflicting and the evidence presented was not correlated.

General Manager's Report:

Clean On-Time Program

Johnny Stein, General Manager, Municipal Railway, suggested to continue the Clean On-Time Program because it is a valuable tool for the Municipal Railway in enhancing ridership.

On the On-Time Rebate Program, Commissioner Makras suggested that the rebate cards include "return postage guarantee" so that people requesting the rebate would not have to pay for the return postage.

1992-93 Budget

Thomas J. Elzey, reported that the Civil Service Commission passed legislation authorizing involuntary work furloughs for City employees. The Mayor's Office has delayed the implementation of the program until February 1, 1993. Michelle Witt reported that the legislation exempted firefighters, police, airport police and nine labor unions. Local 250A, Local 200 and Local 21 were exempted pending the results of a fact finding survey. Ms. Witt pointed out that almost all of PUC and Muni employees belong to these unions.

1993-94 Budget

Michelle Witt stated that she would submit budget recommendations at the budget hearing which would address voluntary work furloughs, Muni fare increases, program eliminations or program reductions, and service reductions. On the voluntary work furlough, Ms. Witt said that if all PUC employees were furloughed for ten days, the City could realize savings of \$6.7 million.

Commissioner Carson stated that she is opposed to any sale of capital assets to balance the budget.

Johnny Stein advised the Commission that the Municipal Railway is in the process of reprioritizing capital improvement projects. Some funding agencies require that we demonstrate that we have the ability to fund the projects. Mr. Stein said the Commission may want to consider escalating Muni fares over the next four or five years. Staff would find out whether this is feasible and research on what other districts do.

Michelle Witt reported that the next report of the PUC Reorganization Task Force will be on January 12th. The next step for the task force is to determine those positions that could be eliminated as a result of the decentralization of bureau functions. Ms. Witt also reported that the Mayor's Reorganization Task Force is looking at City-wide reorganization but have not considered details yet.

Resolution No. 92-0366: Disapproving waiver of attorney-client privilege and release of certain requested documents.

The Commission went into executive session in accordance with Government Code Section 54956.9(b) and Charter Section 3.500(f)(2) regarding Waiver of Attorney-Client Privilege. The Commission approved unanimously not to waive attorney-client privilege and not to release the documents requested.

THEREUPON, THE MEETING WAS ADJOURNED: 5:00 P.M.

Romaine A. Boldridge
Secretary

0448M

